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IMPROVING THE STATE PUBLIC ASSISTANCE PROGRAM

November 1952

State Division
Pennsylvania Economy League
Harrisburg

IMPROVING THE STATE PUBLIC ASSISTANCE PROGRAM

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SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

ADMINISTRATION AND ORGANIZATION (Chapter I)

1. DPA assistance categories are the outgrowth of federal regulations which created them. From the standpoint of administration, however, each new program or category increases the difficulty of the overall job. Thus while federal participation has been helpful financially, it has made the work of visitors and supervisors increasingly more difficult.

2. A review of the state level of the Department of Public Assistance highlights two important features. First, the state has within its own administrative staff a complete group of technical and advisory personnel. County boards and executive directors are dependent on this group for information and guidance. Second, the state, through its Bureau of Assistance and field service group, has developed a method of exercising direct supervision of all assistance on a state-wide basis. However, because of divided state-local responsibility, such supervision is weak rather than strong.

3. While it can be said that there is no specific evidence to indicate that the administrative costs of the state DPA are unduly high, there is a good deal of information which shows that a better performance on the part of the available staff could yield further economy in the scale and total of assistance grants without in any way impairing the functioning of the Department.

4. The DPA should remain primarily an organization for furnishing money assistance. Local agencies (private or public) should undertake the major share of rehabilitation where needed. In rehabilitation the principal role of the DPA should be that of a referral agency. It could and should bring to the attention of the local community individual problems which require specialized attention. But at that point its responsibilities should cease.

5. From the standpoint of the sponsor the work relief projects are a mixed blessing. They involve a considerable amount of time and effort to start and to keep going. As for the DPA, the arrangement appears to be complex, time consuming and not nearly as desirable as a program to take people off the rolls entirely.

6. Initiation of work relief projects should not, therefore, necessarily be a continuous effort. It is an idea which is better suited to acute business recessions. It is not especially worthwhile when job opportunities are plentiful.

7. Federal aid for assistance programs has introduced five important administrative policies: (1) unrestricted money payments to assistance recipients; (2) the right of a recipient to a fair hearing in case of dispute; (3) information concerning assistance recipients shall be kept confidential; (4) the need for assistance shall be determined individually; and (5) assistance administration shall be on a civil-service basis.

Three of these policies, the right to a fair hearing, individual determination of need and civil-service administration could have been adopted without any urging on the part of the federal government. The other two are controversial.

8. Unrestricted money payments while subject to some individual abuse are still the simplest, easiest and least costly method of providing assistance.

9. The state should have a policy of permitting responsible agencies and organizations having a legitimate interest in welfare and assistance problems to have access to relief rolls and case records.

STATE VS LOCAL ADMINISTRATIVE RESPONSIBILITY (Chapter II)

1. There is a serious division of the responsibility for administration between the state DPA and the local county boards. Either the state DPA or the local county boards should be given complete authority for execution of the assistance program. The present arrangement makes for inefficiency and lack of strong controls.

2. To illustrate this need for a better organization two alternate plans are proposed. One plan would give the full responsibility to the state DPA, retaining county boards on an advisory basis. The other plan would give full control to the counties, require local financial participation, and place the state DPA in the position of setting minimum standards and exercising a minimum of supervision.

ASSISTANCE ALLOWANCES (Chapter III)

1. Review of the basic standards for various types of assistance grants indicates that most of these grants are reasonable and that substantial economies in grants and allowances are not likely unless food and rental prices drop.

2. The present services and grants of the DPA are more inclusive than those of 10 years ago. While DPA allowances have been increased to meet rising prices, more importantly these allowances now more closely approximate subsistence requirements.

3. The gradual build-up in DPA services deserves a more constant and detailed scrutiny, particularly by the State Board. Every item should always be open to question and subjected to periodic review.

4. Inter-state comparisons seem to show that while the costs of Pennsylvania's individual programs vary, the total cost is not out of line with other comparable states.

5. The cost of the ADC program, however, is excessive, compared with other states. This indicates that this program needs more careful administration with more attention to detail and to the obligations of relatives than now appears to be the case.

6. The eligibility requirements for the Blind Pension program are now basically different from those of other categories. This program should be put on a needs basis similar to other assistance categories.

7. The Departmental standard covering rental allowances for single individuals appears to be too generous and should be reviewed.

PERSONNEL (Chapter IV)

1. High turnover, particularly among visitors, is a serious problem. This turnover can be reduced by providing better opportunities for advancement and by using different qualifications for casework personnel.

2. By putting the appointment and advancement of employes on a statewide basis, it should be possible to afford much greater opportunity for advancement. Thus most senior visitors and supervisors would be first considered for advancement wherever opportunities exist, rather than, as now, being in effect limited to one county. Likewise, successful administrators in smaller counties could be considered for executive positions in the bigger counties.

3. Qualifications for visitor personnel should be adjusted by modifying DPA emphasis upon a college education so that more individuals with high school education and with wide ranges of experience and good judgment may also be given the opportunity to become caseworkers. This revision would provide greater stability in the visitor group.

CASEWORK AUDITS AND STANDARDS OF PERFORMANCE (Chapter V)

1. The auditing work conducted by the Department of Public Assistance and by the Auditor General provides a valuable source of data with which to judge the administrative performance in individual county administration.

2. The auditing force of the AG should be expanded sufficiently to enable it to audit all county offices annually and to conduct whatever case investigations seem appropriate. It should have the primary duty for field examinations of eligibility and grants.

3. The DPA should establish yearly performance standards for county operations with regard to the acceptable number or percentage of exceptions, amounts and percentages of overpayments, visitor performance, investigations, and so on. The DPA should establish a series of arithmetical means to create a normal or average pattern with which it can then judge the work of the individual counties. If possible, these standards should be worked out with county executives but in any case they must be reasonable and realistic.

4. In addition to information rendered on single counties, the performance and comparative records of all counties or groups of similar counties should be circulated to county heads. Each executive could then see how his "competitor" was doing.

5. Where statistical analysis indicates unsatisfactory performance, further research should be undertaken as to the reasons and the report of such investigation indicating the causes, should be made a matter of record.

6. Whenever an auditing field force takes an exception to a case which involves money payments and eligibility, the county offices should be required to change disbursements or withhold disbursements until the exception can be satisfactorily cleared.

7. Auditing staffs should assist the county office in every way in clearing such exceptions. Such assistance should include investigations, review of records, and interviews with recipients where necessary.

OVERPAYMENTS AND RESTITUTION (Chapter VI)

Overpayments of DPA funds through fraudulent action on the part of assistance recipients is an important source of loss for state funds. To help curtail and prevent these losses and to improve recovery of money when frauds occur, it is recommended that:

- (a) The DPA be permitted to garnish wages and salaries to a maximum of 10 percent when such action does not result in impoverishment or severe personal hardship.
- (b) To facilitate action against minor offenders, the DPA through its own staff be permitted to undertake summary court action against such offenders on claims resulting from fraud.
- (c) The DPA institute a policy of reducing assistance grants up to 10 percent in order to recover overpayment claims based on fraud unless such action results in unusually severe personal hardship.

STATE BOARD OF ASSISTANCE (Chapter VII)

Citizen participation in the work of the State Board of Public Assistance should be strengthened by adopting the following policies:

- (a) The Governor should fill all vacancies on the Board as soon as they occur. Members who are appointed and do not maintain reasonable regularity should be asked to resign.
- (b) It would seem advisable to divide the State Board into sub-committees to study individual phases of assistance policy. This should speed up decisions by dividing responsibility

and creating greater interest in the work of the board by its members.

- (c) Work on urgent problems should not be allowed to drag. A special subcommittee of the Board should work with the Department and see that these matters are carried through the Board proceedings to a prompt conclusion.

I

ADMINISTRATION AND ORGANIZATION

PURPOSE AND FUNCTION OF THE DEPARTMENT

The establishment of a state public assistance program to be carried out by a state Department of Public Assistance shows clearly and definitely the firm governmental responsibility to provide money assistance for those who are temporarily or permanently unable to obtain a living.

This responsibility is summarized by the public assistance law of 1937 which says:

"It is hereby declared to be the legislative intent that the purpose of this act is to promote the welfare and happiness of all the people of the Commonwealth by providing public assistance to all of its needy and distressed; that assistance shall be administered promptly and humanely with due regard for the preservation of family life, and without discrimination of race, religion or political affiliation; and that assistance shall be administered in such a way and manner as to encourage self-respect, self-decency, and the desire to be a good citizen and useful to society."

It is the job of the state DPA to carry out this legislative mandate.

ASSISTANCE CATEGORIES

Assistance in Pennsylvania is administered by means of five different programs or categories and individuals are given help according to the type of problem presented. These programs can be briefly described as follows:

1. Aid to Dependent Children (ADC)

A dependent child is any needy child, living with certain specified relatives, under the age of 16, or under the age of 18 if regularly attending school.

2. Old Age Assistance (OAA)

An aged person, for purposes of assistance, is one who is 65 years of age or more. Such a person must not be an inmate of a public institution and must show that he has not conveyed real or personal property worth \$500 or more without fair consideration within two years preceding application.

3. Blind Persons (BP)

A blind person is one who is 21 years of age or more and has three sixtieths or ten two-hundredths, or less, normal vision. Such a person must not be an inmate of any institution.

4. General Assistance (GA)

This group includes legal residents of Pennsylvania, not eligible under other programs who need assistance to enable them to maintain a decent and healthful standard of living and who do not require institutional care.

5. Aid to the Disabled (AD)

A disabled person must be between the ages of 18 and 65. Such a person must have some physical or mental impairment, disease or loss likely to continue throughout his lifetime which makes it improbable that he or she will be able to engage in any gainful occupation or homemaking without help. This is a new program begun in 1951 and brought about by federal initiative and subsidy.

These categories are the outgrowth of federal regulations which created them. For with the exception of General Assistance, the federal government participates financially in each of the programs but in varying degree.

From the standpoint of administration, however, each new program or category increases the difficulty of the over-all job. Thus, while federal participation has been helpful, it also has made the work of visitors and supervisors increasingly more difficult. To a considerable degree, the complexity of the present assistance administration has been brought about by requirements attendant upon federal subsidies.

GENERAL NATURE OF THE ORGANIZATION

As presently conceived, the state DPA is primarily a staff organization although it must also exercise general supervision of the county administrative boards. The reason for this is that the county boards are charged with the actual administration of assistance. The state responsibility is primarily advisory. It sets the policies and creates the rules and regulations necessary to achieve uniformity, efficiency and economy. Naturally the county boards are expected to follow the standards set by the state organization. Likewise, the state has been given limited supervisory powers to insure observance of its

regulations on the part of the local county organizations. However, this control is one of review and rests on the need for cooperation rather than on any disciplinary powers.

To accomplish its mission, the state organization has set up a series of specialized services for the counties relieving them of a great many duties and thus allowing them to concentrate their work on the actual problem of rendering assistance. These services are furnished by several groups within the state DPA which consist of the following: the Bureau of Finance, the Bureau of Assistance, Administrative Services, and County Budgets.

Bureau of Finance

This bureau is responsible for the development and control of all financial activities. It maintains records of all appropriations and prepares requisitions for payment by the State Treasurer. It has the primary books of account and the necessary subsidiary records. Regional offices review assistance authorizations and prepare assistance checks, clearing them with the Auditor General and sending them to the State Treasurer for payment. This unit also conducts field examinations and audits. Its claim settlement staff handles problems concerning the collection of claims, including recovery in fraud cases.

Bureau of Assistance

The Bureau of Assistance has the responsibility for the formulation of assistance policies and standards including medical programs. It also proposes rules for eligibility covering each of the departmental programs. The field staff works with county boards and executive directors interpreting the objectives, policies and procedures of the state DPA. This staff also appraises the effectiveness of the work of the county boards. This bureau is also responsible for the development of employment, training, and work relief program.

Administrative Services

Within this group falls such functions as Personnel, Research and Statistics, Office Management and Supply, and Methods and Systems. All of this work covers common problems of the county boards in addition to serving their needs for specialized information. This group reports to the Deputy Secretary.

County Budgets

The staff of county budgets is responsible for reviewing and approving financial budgets for all counties. These budgets are based on current assistance caseloads and are submitted quarterly. Items covered are salaries, materials, and rent. This group is thus responsible for control of the administrative overhead of all county offices.

Although the DPA cannot directly control the number of persons in a county group nor the type of organization, it can and does exert control through the amount of money which it is willing to allocate to the counties for administration. The DPA staff which reviews and approves county budgets reports directly to the Deputy Secretary.

Original responsibility for the preparation of county budgets rests with the county boards who submit data quarterly. The budget includes salaries, materials and supplies, miscellaneous services and rents. Salaries comprise about 88 percent of the total. Out of this group, salaries are thus by far the most important item. It is an item which can be directly controlled through increasing or decreasing visitor personnel as the needs determine.

In exercising its control of administrative expense, the DPA has established a policy that the county boards should not spend in net salaries more than \$2.60 per person on assistance within that county. An average cost should be \$2.40 and the minimum should be \$2.20. Net salaries exclude janitors' wages. It also allows for certain deductions from the salary cost of visitors in training because of their relative inefficiency. Net salaries also allow

for what is called a stability factor where an older and more stable county organization may have higher than average costs simply because most of its help is working at top salary increments. These three adjustments strive to put the county overhead costs on a more or less equal plane and not penalize any one organization. In a further effort to be flexible, the DPA has recently allowed counties to reach a cost of \$3.00 per assistance person in order to avoid furloughing personnel.

Basing the county budget on the number of persons on assistance requires careful forecasting of dependency trends. Where these trends fluctuate sharply, it means that staffs must change sharply and personnel turnover will rise. When reductions are required the DPA tries to have normal resignations take care of the problem but where they do not, then furloughing is inevitable.

The state DPA feels that there is ample justification for confining county administrative costs within their present dollar range as determined by the number of persons on assistance. There is ample reason for stating that the present standards are adequate in terms of personnel, since many counties can and do operate effectively within the bounds set by DPA.

A study of the operating costs of a limited list of counties supports the view that it is possible for individual organizations to be efficient under present budget limitation. A review of four important factors is contained in Tables 1 and 2. These tables show, of course, the wide variation in county administrative loads which is bound to occur under the impact of changing local conditions. However, no particular set of administrative conditions separates good county operations from poor.

For example, counties which have good audit records have both high and low salary costs per assistance person. Likewise, the number of assisted persons per employee or per visitor may be high or low without apparently affecting the over-all result. With respect to supervision, however, there is a great deal of uniformity and most of the counties stay very close to an average of

TABLE 1

ADMINISTRATIVE BUDGET DATA - YEAR 1950

| | Net Salary Cost Per Assisted Person | | Net Salary Cost Per Assisted Person | Assisted Persons Per Employe Excluding Janitor | | |
|----------------------------|-------------------------------------|--------|-------------------------------------|--|-------|--------|
| | Low | High | | Median | Low | High |
| State Average ^a | \$1.65 | \$2.31 | \$1.745 | 89.1 | 114.6 | 107.35 |
| Pennsylvania | \$1.71 | \$2.78 | \$2.03 | 78.4 | 99.8 | 93.0 |
| Cameron | 1.32 | 2.42 | 1.67 | 91.1 | 122.2 | 110.6 |
| Clinton ^a | 1.04 | 1.41 | 1.205 | 129.2 | 191.0 | 163.85 |
| Clinton ^a | 1.83 | 2.66 | 2.245 | 80.8 | 99.9 | 87.95 |
| Clinton ^a | 1.99 | 2.65 | 2.105 | 76.3 | 88.7 | 84.5 |
| Clinton ^a | 1.09 | 1.59 | 1.275 | 116.6 | 185.3 | 146.2 |
| Clinton ^a | 1.07 | 1.93 | 1.585 | 95.2 | 190.2 | 127.8 |
| Clinton ^a | 1.82 | 2.50 | 2.035 | 82.9 | 103.7 | 93.65 |
| Clinton ^a | 1.72 | 2.69 | 2.025 | 86.0 | 113.0 | 100.7 |
| Clinton ^a | 1.57 | 2.42 | 1.86 | 87.9 | 117.6 | 102.75 |
| Clinton ^a | 1.86 | 2.60 | 1.975 | 71.4 | 108.0 | 101.9 |
| Clinton ^a | 1.44 | 1.89 | 1.63 | 111.6 | 144.5 | 127.0 |
| Philadelphia ^a | 1.86 | 2.48 | 2.045 | 84.3 | 99.8 | 98.45 |
| Wykoff | 2.10 | 2.71 | 2.195 | 83.8 | 100.2 | 95.15 |

Before December, 1950 it was not mandatory for the counties to compute their net salary cost per assisted person unless the cost was over \$2.05. They could and in these cases did send in only the gross cost per person assisted for some months. The State average was computed using these gross figures minus the janitor's salaries.

TABLE 2
ADMINISTRATIVE BUDGET DATA - YEAR 1950

| | Assisted Persons Per Visitor | | Assisted Persons Per Visitor | | Visitors per Supervisor | | Visitors per Supervisor | |
|--------------|---------------------------------|-------|---------------------------------|---------------------------------|----------------------------|--------|----------------------------|------|
| | Low | High | Median | Low | High | Median | Low | High |
| Average | 169.0 | 212.1 | 198.85 | 4.9 | 5.5 | 5.3 | | |
| Pittsburgh | 148.8 | 190.8 | 168.45 | 4.4 | 4.9 | 4.8 | | |
| Columbus | 175.7 | 220.2 | 203.6 | 4.7 | 5.3 | 5.3 | | |
| Wilmington | 233.5 | 347.3 | 299.15 | 4.3 | 6.0 | 5.5 | | |
| Washington | 158.7 | 198.7 | 172.95 | 4.6 | 5.4 | 4.75 | | |
| Scranton | 156.0 | 182.2 | 175.05 | 4.6 | 5.6 | 5.3 | | |
| Harrisburg | 212.3 | 314.3 | 224.7 | 6.8 | 7.5 | 7.0 | | |
| Wilkes-Barre | 171.3 | 380.5 | 219.15 | 5.0 | 7.0 | 5.0 | | |
| Bethlehem | 157.5 | 207.4 | 179.25 | 4.2 | 5.2 | 4.4 | | |
| Johnstown | 179.2 | 226.1 | 216.9 | 4.0 | 7.0 | 4.3 | | |
| Altoona | 183.4 | 241.4 | 213.05 | 3.6 | 3.8 | 3.8 | | |
| Hampton | 125.0 | 197.2 | 181.65 | 4.0 | 5.4 | 4.6 | | |
| Scranton | 195.2 | 289.0 | 230.0 | Three visitors - no Supervisors | | | | |
| Philadelphia | 157.2 | 176.9 | 175.25 | 5.0 | 5.7 | 5.65 | | |
| Wilkes-Barre | 165.6 | 193.5 | 185.65 | 4.4 | 4.8 | 4.8 | | |

five visitors per supervisor. None of these factors provides definite clues as to why some counties do better than others and the only possible conclusion seems to be that the present administrative controls provide the opportunity for, but not the assurance of, good results.

Conclusion

A review of the state level of DPA highlights two important features. First, the state has within its own administrative staff a complete group of technical and advisory personnel. County boards and executive directors are dependent on this group for information and guidance. Second, the state, through its Bureau of Assistance and field service group, has developed a method of exercising direct supervision of all assistance on a state-wide basis. However, because of divided state-local responsibility, such supervision is weak rather than strong. And third, state control of county finances is flexible enough to permit, though not insure, good administration.

PUBLIC ASSISTANCE COSTS

Based upon a study of the cash disbursements of the State General Fund for the years 1940 through 1952, inclusive, it is very obvious that Public Assistance is an important function of government approximately equal to Public Instruction in size of expenditure. In Table 3, following, is listed the total amount spent for this purpose, including federal funds for the years 1940 through 1952, and the percentage that this amount represents of total state cash disbursements.

TABLE 3

| Year Ending May 31 | Expenditure (in millions) | Percent of Total State General Fund Expenditures |
|-----------------------|------------------------------|--|
| 1940 | \$140.1 | 56.3 |
| 1941 | 115.7 | 55.7 |
| 1942 | 92.4 | 42.0 |
| 1943 | 74.7 | 37.6 |
| 1944 | 66.7 | 33.5 |
| 1945 | 63.0 | 31.9 |
| 1946 | 73.8 | 27.3 |
| 1947 | 95.5 | 32.9 |
| 1948 | 106.8 | 33.3 |
| 1949 | 125.3 | 33.7 |
| 1950* | 161.0 | 35.0 |
| 1951** | 141.2 | 31.3 |
| 1952** | 117.7 | 23.9 |

SOURCE: Auditor General's Biennial Report.

* SOURCE: Budget Supplement 1949-51.

** SOURCE: Budget Bureau.

In the following table is shown the actual amounts of cash spent on all functions of government in the fiscal year 1951-52.

TABLE 4

| Department | Expenditure (in millions) | Percent of Total |
|-----------------------|------------------------------|---------------------|
| Public Assistance | \$117.7 | 23.9 |
| Public Instruction | 200.6 | 40.7 |
| Welfare | 65.0 | 13.2 |
| Health | 13.9 | 2.8 |
| Property and Supplies | 5.0 | 1.0 |
| Treasury | 1.3 | 0.3 |
| Forests and Waters | 6.0 | 1.2 |
| Commerce | 3.1 | 0.6 |
| All Other | 80.5 | 16.3 |
| Total | \$493.1 | 100.0 |

SOURCE: Budget Bureau

A study of the proposed budget for 1951-53 indicated an expected annual expenditure of \$118.2 million, representing 24.1 percent of all governmental expenditures. The actual expenditure for 1951-52 was \$117.7 million or

23.9 percent of all General Fund expenditures, slightly less than the budgeted amount for the first half of the biennium. This amount is considerably below the expenditures of 1949 through 1951 and percentagewise is below any previous experience.

The Federal Contribution Toward Public Assistance Expenditures

The federal government has always had an important part in the Public Assistance program in Pennsylvania. In Table 5 below are shown the amounts spent by the state and the amounts contributed by the federal government during the years 1940 through 1951.

TABLE 5

| Calendar Year | Total Expenditure (In millions) | Federal Expenditure | Percent Federal of Total |
|---------------|------------------------------------|---------------------|--------------------------|
| 1940 | \$208.1 | \$119.6 | 57.5 |
| 1941 | 103.9 ^b | 26.0 ^b | 25.0 |
| 1942 | 80.7 ^b | 24.5 ^b | 30.4 |
| 1943 | 69.0 | 22.8 | 30.1 |
| 1944 | 63.1 | 21.2 | 33.6 |
| 1945 | 66.8 ^c | 21.4 ^c | 32.1 |
| 1946 | 86.4 | 27.0 | 31.2 |
| 1947 | 103.4 | 36.4 | 35.2 |
| 1948 | 116.1 | 39.7 | 34.2 |
| 1949 | 145.6 ^a | 48.8 | 33.5 |
| 1950 | 156.7 | 52.1 | 33.3 |
| 1951 | 125.7 | 53.7 | 42.7 |

SOURCE: Public Assistance Review.

^a Preliminary figure.

^b Average per month figures x 12.

^c Sum of 12 months.

Until the beginning of 1951, federal contributions had apparently stabilized at about 33 percent of all expenditures. However, under a recent agreement with the federal government more aid is now given to Pennsylvania than in the past. This agreement covers additional help on the Blind Pension program where in certain circumstances each recipient is now eligible for \$25 per month of federal money. Based on the experience of 1951, the saving in Pennsylvania

TABLE 6

STATE AND LOCAL ADMINISTRATION COSTS AS A PERCENTAGE OF THEIR TOTAL
ASSISTANCE AND OR WELFARE EXPENDITURES FISCAL YEAR ENDING JUNE 30th

| State | 1947 | 1948 | 1949 | 1950 | 1951 |
|--------------------|------|------|------|------|------|
| Pennsylvania | 8.9% | 9.3% | 8.6% | 7.8% | 9.8% |
| California | 9.3 | 6.4 | 6.9 | 6.5 | 6.4 |
| Illinois | 6.8 | 7.3 | 7.2 | 7.8 | 8.1 |
| Indiana | 8.0 | 8.1 | 8.8 | 7.9 | 7.2 |
| Massachusetts | 6.7 | 6.3 | 5.8 | 5.9 | 6.2 |
| Michigan | 7.4 | 7.5 | 7.5 | 6.9 | 7.3 |
| New Jersey | 14.0 | 12.8 | 12.6 | 11.5 | 13.0 |
| New York | 10.6 | 10.3 | 10.6 | 11.0 | 11.8 |
| Ohio | 6.0 | 6.4 | 5.8 | 6.0 | 6.4 |
| Wisconsin | 6.1 | 6.2 | 6.2 | 6.1 | 5.9 |
| 10 - State Average | 8.1 | 8.1 | 8.0 | 7.7 | 8.2 |

tax money will total about \$5,000,000 a biennium. With the general decrease in DPA case loads in 1951, this extra contribution increased federal aid to 42.7 percent of all assistance expenditures. (See Table 7)

EVALUATION OF THE ADMINISTRATION OF DPA

One method of judging the administrative performance of the Department of Public Assistance is to compare the cost of administration in terms of a percentage of the total expenditure for the program. In a limited way, this percentage can also then be compared to percentages similarly calculated for other states. This computation has been made in Table 6.

Table 7

AVERAGE NUMBER OF PERSONS AND PERCENT OF TOTAL PERSONS ON PUBLIC ASSISTANCE PROGRAMS 1947 TO 1951
 (Calendar Year)

| Program | 1947 | | 1948 | | 1949 | | 1950 | | 1951 | |
|------------------------------|-------------------|---------------------|-------------------|---------------------|-------------------|------------------|-------------------|------------------|-------------------|---------------------|
| | Number of Persons | Percent of Total | Number of Persons | Percent of Total | Number of Persons | Percent of Total | Number of Persons | Percent of Total | Number of Persons | Percent of Total |
| State Total | 298,344 | 100.0% ^b | 302,210 | 100.0% ^b | 366,210 | 100.0% | 397,042 | 100.0% | 289,443 | 100.0% ^b |
| General Assistance | 48,956 | 16.4% | 45,245 | 15.0% | 75,840 | 20.7% | 91,458 | 23.0% | 36,016 | 12.4% |
| Old Age Assistance | 93,942 | 31.5 | 92,628 | 30.7 | 94,105 | 25.7 | 96,015 | 24.2 | 83,240 | 28.8 |
| Aid to Dependent Children | 141,267 | 47.4 | 149,587 | 49.5 | 180,983 | 49.4 | 194,104 | 48.9 | 144,812 | 50.0 |
| Blind Pensions | 14,179 | 4.8 | 14,750 | 4.9 | 15,282 | 4.2 | 15,465 | 3.9 | 15,391 | 5.3 |
| Aid to Disabled ^a | - | - | - | - | - | - | - | - | 9,984 | 3.4 |
| | | | | | | | | | 12 | 6 |

^aAid to Disabled program did not begin until 1950-51.

^bTotals are not exact because of rounding.

TABLE 8

EXPENDITURES FOR EACH PROGRAM AND PERCENT OF TOTAL PUBLIC ASSISTANCE GRANTS

1947 TO 1951

(Calendar Year)

| Program | 1947 | | 1948 | | 1949 | | 1950 | |
|------------------------------|--------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|
| | Expenditure | Percent of Total | Expenditure | Percent of Total | Expenditure | Percent of Total | Expenditure | Percent of Total |
| State Total | \$90,233,728 | 100.0% | \$104,259,572 | 100.0% | \$127,543,814 | 100.0% | \$135,871,509 | 100.0% |
| General Assistance | \$13,817,512 | 15.3% | \$15,831,420 | 15.6% | \$27,517,938 | 21.6% | \$32,319,840 | 23.8% |
| Old Age Assistance | 36,629,708 | 40.6 | 38,776,103 | 38.3 | 41,626,082 | 32.6 | 41,925,240 | 30.9 |
| Aid to Dependent Children | 33,012,216 | 36.6 | 39,591,642 | 39.1 | 51,081,051 | 40.0 | 54,243,523 | 39.9 |
| Blind Pensions | 6,774,292 | 7.5 | 7,060,407 | 7.0 | 7,318,743 | 5.7 | 7,382,906 | 5.4 |
| Aid to Disabled ^a | - | - | - | - | - | - | - | - |

^aAid to Disabled program did not begin until 1950-51.^bTotals are not exact because of rounding.

The table shows that Pennsylvania's performance is approximately average. However, this kind of a test by itself proves little if anything about whether a program is being effectively and economically run. For example, a program could have a low percentage of administrative cost if the administrative force was wasting a good deal of money or if the administrative force was handling a very expensive program in terms of grants to the various recipients. It is also possible to conceive of a situation where an under-manning of an administrative force would result in low administrative cost but with very unsatisfactory results in terms of the assistance payments. The converse would also be true where it is equally possible to conceive of an overmanning of a department with an excessively high administrative expense in relation to the over-all program.

Because of the variation in the nature of state programs and in the efficiency of administration it would also seem desirable to judge Pennsylvania's administrative costs in terms of two other factors. The first would be whether or not the over-all percentage was increasing or decreasing over a period of time. The second factor would be whether or not the administrative performance judged in terms of errors, over payments, eligibility standards, allowances and similar information is of a caliber which shows that the program is being carried out with reasonable economy and accuracy.

Percentage of Administrative Costs

Table 6 shows that Pennsylvania's percentage of administration has been fairly constant and that the efforts of the state to keep administrative costs adjusted to the prevailing program has met with a good degree of success. A possible exception might be the year 1951 but this particular year may be an exception. In 1951 state salaries including those of DPA personnel were increased while the over-all assistance load of the state went down to a virtual minimum. The combination of declining over-all assistance expenditures and the increase in over-all administrative expenses combined to produce a

percentage of administrative expense that cannot be considered either normal or typical.

Errors

There is a good deal of evidence available to indicate that Pennsylvania also administers its program with a reasonable amount of accuracy and speed. In other parts of this report a discussion is included showing the number of errors made by some of the county administrations as well as the relative amounts of over payments. Also a discussion is included of the efforts of a part of the state to recover money obtained fraudulently by assistance recipients. The studies of these operations, while they indicate opportunities for improvement, nevertheless also show that in many counties the program has been well administered. On the other hand, as shown later in this report, certain important counties fall well below the average in performance.

Another possible test of good administration is the type of eligibility rules which the Department proposes as well as the level of grants which are given to the various assistance recipients. These rules and these grants in part indicate the attitude of the Department toward keeping costs at a minimum. On the basis of this evidence, it would seem a fair statement to say that the Pennsylvania DPA is following a conservative practice in setting up the rules for eligibility and grants.

One aspect of the Department's principles deserves particular mention here. A great deal of stress is placed by the DPA on the necessity for recognizing the individuality and worth of persons needing assistance. In an organization dealing with large numbers of people, a great many of whom are in distress through no fault of their own, this is a worthy objective. Departmental literature also places a great deal of emphasis on the assumption that most individuals are honest and trustworthy.

While all of this is commendable philosophy, administratively it is

dangerous and sometimes expensive. At the beginning of its contacts with assistance claimants the DPA frequently has little if any such knowledge of the standing or worth of the individuals concerned. Its trustfulness can be abused. Actually, what is needed in the starting relationship between the DPA and assistance applicants is more skepticism. Assistance recipients whose records and performance justify considerate treatment should certainly receive it, but the unknown applicant should be first required to prove his or her merit.

Conclusion

In summary, then, it can be said that there is no specific evidence to indicate that the cost of DPA administration is unduly high. On the other hand, there is a good deal of information which shows that a better performance on the part of the available staff could yield some further economy.

UNUSUAL NATURE OF THE ADMINISTRATIVE PROBLEM OF THE DPA

The DPA has one administrative problem which is almost unique. Its casework load and the financial requirements which stem from it, are to a very large extent beyond its control. Unlike other branches of the state government, it cannot plan its program because its needs are largely based on indeterminable factors.

A review of the casework load and the number of persons on assistance illustrates the point. The total number of assistance recipients has varied widely according to the state of business. Even in prosperous times, prolonged strikes in major industries, such as coal and steel, have created sharp fluctuations in caseloads and in money needs. The annual variations in persons on assistance and program costs are shown in Tables 7 and 8. Study of the records also shows constant variation in monthly loads as well.

The fluctuating character of the DPA program load is not only unusual but it is peculiarly troublesome. It demands a high degree of flexibility in an organization of considerable size. Administratively, it makes sensible future planning difficult. At the caseworker level it induces or aggravates what is in many instances an already high degree of personnel turnover.

Another major uncertainty which confronts the DPA, which it cannot control, is the fluctuating cost of living as inflation ebbs and flows. Since, in recent years, most price changes have been upward, the trend of assistance allowances has of necessity been upward. This upward trend has inevitably reflected itself in the mounting total of assistance payments. It might be possible, of course, to overlook inflationary factors by refusing to increase grants but such a policy quickly creates hardship and would violate the legislative mandate to provide for minimum needs.

REHABILITATION

According to present law (as quoted at the beginning of this section) assistance is to be administered in such a manner as to encourage self respect, self dependency, and the desire to be a good citizen, useful to society. This can be considered as a directive to carry an assistance program beyond the point of supplying money to maintain a minimum standard of living for assistance recipients. To an unknown and uncertain degree it seems to require the DPA to "rehabilitate" persons on its rolls.

The basic difference between assistance and rehabilitation is often confused and yet it is essential to understand what these terms imply. Assistance can be considered as the means of providing persons in need with enough money to retain the necessities of life. It has nothing to do with the causes or possible cures of dependency. It only recognizes that people need help but not why they need it or what could prevent its recurrence and get such persons off the rolls. On the other hand, rehabilitation in its broadest sense concerns itself with efforts to reduce dependency through direct work on its causes. More specifically, it involves a study of the personal problems of assistance recipients with the idea that their solution could restore the individual or the family to a state of financial independence.

Criticism of the DPA has often mixed the two ideas without any clear

conception of what the roll of the DPA should be or how far it should go beyond the primary job of providing money to needy persons. The law itself on the subject is not clear. Part of the general uncertainty can also be charged to the fact that in some parts of the state private agencies are far better equipped to do this work than in others. Where the work of the private agencies is limited, the natural tendency is to look to the DPA to fill the gap. But in any case, there is no precise definition as to how far the DPA should go in rehabilitative work.

Within certain limited areas, however, the DPA generally does attempt to relieve dependency. Where such work has become a matter of policy and incorporated in the regulations, it is only fair to state that state-wide uniformity is the goal.

Two of the major programs deal with employment problems. One of these is a program of work relief which is discussed later in this chapter, and is secondary in nature to that of obtaining direct employment for persons on assistance. The other program for which the county boards are responsible is an employment service. This service may comprise several features. One feature is a file of employable persons, by occupation, which provides ready information for any employment organization or individual employer. For many individuals, the essence of the service is to determine what special help he needs and refer him to the appropriate outside agency. In some county offices, the service includes interviewing, counseling and direct referral to job openings and to the Pennsylvania State Employment Service.

Where employment problems are not involved, an obvious step on the part of the DPA is to refer possible recipients or actual recipients to other community services such as children's agencies, welfare organizations, or other groups where problems leading to dependency may be cured or alleviated. A more difficult and serious decision, along the same lines, is when to refer

abused or neglected children to welfare agencies or to the courts. It is no easy matter to decide when children are neglected and when they are not. The same type of decision must also be made in the case of adults who are either incompetent or who are being neglected. In these instances, of course, the action of the DPA results in the actual work of rehabilitation being done by other organizations. Under existing conditions, the determination of rehabilitation needs including abuse and neglect appears to be the maximum responsibility which DPA visitors and supervisors should handle.

Another major rehabilitative program which deserves mention is that of medical care. This program can be considered rehabilitative in the sense that people who are sick and can be cured very often return to active employment. However, the medical treatment provided is at a minimum and does not cover comprehensive diagnosis or extensive stays in hospitals.

In theory there seems to be no limit to the extensiveness or cost of the rehabilitative efforts which might be applied to persons on assistance. Not only could the DPA expand its present programs but others could be added, particularly in the field of child welfare. However, too little is known about the cost and effectiveness of many rehabilitation proposals to recommend that the DPA undertake them on a state-wide basis. An equally important consideration is the nature of the DPA itself which is a large, unwieldy organization with a high visitor turn-over, divided responsibility and an already complicated program. It would appear to be a mistake to add any major new duties to such an organization until the present job is under better control.

Conclusion

The DPA should thus be primarily an organization for furnishing money assistance. Local agencies should undertake the major share of rehabilitation where needed. The principal role of the DPA should be that of a referral agency. It could and should bring to the attention of the local community individual problems which require specialized attention. But at that point its responsibilities should cease. In order to avoid future misunderstandings, it also seems

important to have the present law clarified so that it is more explicit in its definition of DPA responsibility in the field of rehabilitation. Such a revision could read as follows: "It shall be the primary duty of the DPA to furnish such financial support and such medical care as will meet the minimum needs of all persons who are destitute. The DPA shall also encourage self-sufficiency through the use of employment and work programs and by means of cooperative programs with other state, local or private agencies seeking means and methods for eliminating dependency."

Work Relief Programs

The Relief Work Program in Pennsylvania was established by legislative act in June of 1939. In essence the act requires all employable persons receiving public assistance to perform work assigned to them by the county boards or be refused further help. Of course, such a program is by nature secondary to any efforts to place employables directly in industry. Further, such an idea has to be carefully handled lest it compete with more productive efforts on the part of the DPA.

There can be, it seems, little controversy over the theory that employable people should be kept active and their skills fresh by using them on Work Relief Projects if no other work is available. However, this is a policy born of depression or recession when long periods of unemployment can be demoralizing and destructive. The usefulness and effectiveness of these programs thus depends very much on the business conditions prevailing. A mass of unemployment created by strikes and subject to temporary hardship would not benefit from such an effort whereas unemployment through prolonged slackening in business would be a fruitful field in which to work.

The values of the Pennsylvania program are limited by legal restrictions which have been carried over in a variety of administrative limitations. According to the DPA, an acceptable project must meet the following conditions:

1. It shall not substitute for any project financed by Federal funds nor shall it decrease the funds available for projects which have been or could be financed by Federal funds.
2. It shall be in addition and supplementary to any existing projects financed by federal funds or any existing projects, work or contracts now being performed or to be performed or to be undertaken.
3. It shall not displace any present employment or any employment contemplated by the sponsor which would normally be financed by regular funds.
4. It shall be for the common welfare and not for profit.
5. It shall have the approval of the supervising state department when a district office of a state department originates a project.

The law presently requires that each state district office, institution and other agency and each regularly organized charitable organization and institution, supported in part or in whole through tax funds be the sponsor of projects. County boards of assistance are charged with the duty of keeping lists of employables available for use on such projects as well as their various types of skills and the corresponding hourly rates. Recent legislation has expanded the number of eligible sponsors to include any nonprofit cemetery association, fire company, public library, or other similar organization, supported in whole or in part by public subscriptions, donations, or gifts.

As a guide for local county boards, the DPA has enumerated three types of projects which are generally acceptable. They are projects for the care, maintenance, and improvement or policing of highways and streets; buildings and grounds; and parks, playgrounds and streams.

It is obvious that the number of projects and the number of sponsors has been sharply limited by legislation to areas where there is little if any likelihood that ordinary financing would be used. To a certain extent, prosperity itself limits the potentialities. When more money is available to the sponsors, it makes it more difficult for them to justify their need for a work relief project. Then, too, the number of employables on assistance drops and places a ceiling on the numbers and types of workers available.

From the sponsor viewpoint, aside from the difficulties of getting a project approved and obtaining manpower, there is the further problem of assuming other responsibilities as well. Sponsors must provide supervision. They must provide materials, labor, equipment, and apparel where necessary. It is their duty to keep time sheets and records of worker performance. In some cases they must provide transportation. In addition, the sponsors must provide workmen's compensation insurance. Of course, these requirements are not unusual or burdensome provided the sponsor has experienced personnel at its disposal to run a project. However, the ability and willingness of sponsors to provide these services is undoubtedly a further obstacle in developing projects.

One legal requirement seems to place a major obstacle in the path of the work relief programs. This is a stipulation that assistance recipients may not be required to work in excess of the number of hours which, when multiplied by their hourly wage, equals their grant. Since few, if any, hourly rates are as low as a weekly assistance pay check, this simply means that employable assistance recipients would work less than forty hours a week on any project. In the case of highly skilled workers, it would be very much less. From the standpoint of the sponsor, it means a high rate of labor turnover and perhaps a ceiling on the number of skilled men available. This rule undoubtedly complicates bookkeeping and supervision as well as lowering individual productivity on the job.

From the standpoint of the sponsor, then, the work relief projects are not an unmixed blessing. They involve a considerable amount of time and effort to start and to keep going. Even with free labor, the eventual cost may be too high in terms of supervisory time and material. As for the DPA, the arrangement appears to be complex, time consuming and not nearly as desirable as a program to take people off the rolls entirely.

Initiation of work relief projects should not, therefore, be a continuous effort. It is an idea which is better suited to business recessions. It

is not especially worthwhile when job opportunities are plentiful. As for the DPA, the local county board appears to be the one to assume the responsibility for starting and stopping programs. A convenient point of reference could be the number of employables on the rolls. Below a certain standard, no work projects would be carried out and all emphasis would be placed on direct employment. Above a standard number, a program would be started or encouraged. Of course, consideration would have to be given to the current economic situation where strike conditions or temporary slackening would be radically different from an industrial depression.

Federal Influence in Assistance Administration

Under the terms of the Federal Social Security Administration, federal aid is made available to Pennsylvania for carrying out its assistance programs. All programs are eligible except General Assistance. As might be expected, federal aid is extended subject to administrative control by the Bureau of Public Assistance which is part of the Social Security Administration. This agency has the power of approval over the DPA plan of operation, including eligibility, administrative procedure, personnel system, grants and standards and so on. Disapproval may mean the loss of federal aid.

The Social Security Administration maintains close contact with the Pennsylvania operation through its regional representatives who check on assistance and administrative matters, staff training, program planning and all other phases of the work in which the federal government is involved because of its aid. In addition, the Social Security Administration conducts two types of audits, one administrative and the other fiscal. And finally, the federal government requires a series of reports from DPA covering such matters as case load figures, estimates of expenditures, reasons for opening and closing cases and so forth.

Federal aid has thus resulted in giving the Social Security Administra-

tion considerable influence in the administration of the Pennsylvania program. Basically, it has introduced five important ideas. some of which are definitely valuable while others may be questionable. These ideas are: unrestricted money payments, the right of assistance recipients to a fair hearing, information concerning assistance recipients shall be confidential, need shall be determined individually, and assistance administration shall be on a civil service basis.

Unrestricted Money Payments

This form of assistance provides the recipient with a sum of money which he or she uses without supervision. It places a moral responsibility on the recipient to use the money to his or her best advantage. Further, it assumes that the individual concerned is willing and capable of planning and managing his or her own affairs. Abuse of this trust through drunkenness, wayward mothers, and neglected children has often aroused public criticism.

Right to a Fair Hearing

The fair hearing is simply a proceeding at which an assistance recipient appeals for a review of his case. It is designed to afford protection against arbitrary action or negligence on the part of assistance officials. Since in Pennsylvania, these hearings are held by county boards, it probably does offer a chance for an open-minded review.

Confidential Nature of Information

Originally, the confidential nature of information was designed to protect the privacy and dignity of deserving assistance recipients. Unfortunately, it has also served to cover up the abuses of those who wish to make a racket out of relief. Recent federal legislation has revoked the ban on publication of information concerning relief recipients leaving it up to the individual states to establish their own policies. Undoubtedly, some compromise will have to be worked out between the one extreme of indiscriminately publishing names

on assistance rolls and the other extreme of excluding all persons and organizations with legitimate interest in relief work from such data.

Individual Determination of Need

This is a commendable regulation. The individual applies for assistance and if eligible is granted help on the basis of his or her personal situation. Such a requirement eliminates the possibility of having any one group assume the status of pensioners. Administratively it attempts to give all assistance recipients the same basic minimum standard of living.

It should be emphasized that the administrative process of handling each case on an individual basis is, by nature, expensive. The varying degrees of eligibility and the varying amounts of corresponding money grants require unceasing supervision and evaluation.

Civil Service Administration

The federal government requires, as a condition of eligibility for federal aid, the use of civil service merit system in the Department of Public Assistance. It is a rule which is consistent with the desire to keep assistance out of politics. Furthermore, the personnel practices of civil service have many commendable features which, with some modifications, should provide the Department with a capable and efficient organization at all times.

Conclusion

In reviewing these policies, it would seem that three of them could have been adopted without any urging on the part of the federal government. These three are, the right to a fair hearing, individual determination of need, and civil service administration. On the other hand, the confidential nature of assistance rolls and unrestricted money payments are controversial in nature and deserve further comment.

Money Payments vs. Commodity Relief. The alternative to unrestricted money payments is to offer relief in commodities. This can be done through the use of vouchers or stamps or scrip of one variety or another which can only be used to obtain food or clothing. It can also be done by actually issuing commodities to the needy on an individual basis. Rent can be paid for by direct payment to landlords rather than relying on the integrity of the assistance recipients. Administratively each of these ideas is more complicated and more expensive than the direct money payment. Scrip or stamps or vouchers impose additional burdens on retailers and merchants.

All these plans are subject to abuse since scrip, etc., can often be sold and the proceeds used by the assistance recipient for other purposes. Actually, commodity plans represent an effort to increase the degree of supervision which shall be exercised over individual relief recipients. Regardless of the moral issues, however, the simplest and easiest and least costly method is to pay money assistance rather than to furnish goods and services.

Publicity for Relief Rolls. Secrecy of relief rolls is a hotly debated issue. Those in favor of it point to the humiliation and loss of pride which results when conscientious and needy persons on the rolls are subject to public view. On the other hand, dishonest or lazy people will be totally indifferent to any public criticism and may use the information to try to get even more money. Those against secrecy maintain that it will promote honesty and restrain those who have no business being on the rolls from trying to get on. On the other hand, honest persons have no reason to fear publication of their names. Unfortunately, publicity for relief rolls has also too often been looked upon as an easy road to good administration and reduction, if not elimination, of frauds. Experience seems to show that the weapon of moral censure can be used as a powerful support for the efforts of the case worker but it is not a panacea.

It is believed that the present legal restriction on access to assistance rolls should be modified. However, there seems to be little value in requiring the Department of Public Assistance to print lists of any kind or to require it to publish names and amounts for posting in public places or for publication by others, particularly newspapers. Work of this kind is usually expensive and after the initial excitement has lapsed, its effectiveness as a restraining measure would probably be limited.

Actually, there never has been any legal ban on information concerning General Assistance recipients in Pennsylvania. The law states that it is the duty of county boards "to make available for inspection and examination during office hours, to any taxpayer, in such manner as the county board of assistance may prescribe, the names, addresses, and amount of assistance granted to all persons then receiving general assistance." As a practical matter, this privilege is rarely used by the general public.

The present federal law also requires that no use shall be made of assistance rolls for political or commercial purposes and there can hardly be any quarrel with this restriction.

The real problem lies in defining the extent to which individuals or organizations with a legitimate interest should be permitted to examine the information in the case records. In the case of police departments or other law enforcement agencies, it would appear that their interest should be confined to whatever information was needed to locate or identify persons wanted by them. Also, data normally considered to be confidential either in the medical profession or the legal profession ought to be withheld from indiscriminate publication. This is a protection which is provided to all citizens and those on assistance rolls should not be so deprived simply because they happen to be in need.

However, recognized agencies or organizations working on assistance problems or having a legitimate interest in such problems should be given complete

and full information with regard to the content of case records.

Probably the simplest answer would be to permit any such organization to review case records in the ordinary course of its own efforts. Inquiries by individuals could be answered if submitted in writing or verbally at the option of the local county office.

Thus it would seem that the state should have a policy of controlled access to relief rolls to encourage cooperation with other interested welfare organizations. It should discourage merely idle, curious, meddlesome scandal seeking on the part of individuals.

It is thus recommended that the existing assistance law be changed to conform to the above policy so that the right of access is given to legitimate organizations and individual inquiries can be properly considered without the necessity for indiscriminate publication.

II

STATE VS LOCAL ADMINISTRATIVE RESPONSIBILITY

PRESENT DIVISION OF ADMINISTRATIVE RESPONSIBILITY

The position of the county board can best be appreciated by restating the powers which are reserved to the State Board. These powers are described by the state law as follows: "It shall be a policy making body, determining the outlines and principles of administration upon which public assistance shall be administered by the local boards." Following out this directive, the State Board has, over a period of years, compiled a comprehensive and detailed set of rules, regulations, and procedures. Most of this information has been incorporated in manual form and passed out to county boards and local supervisors.

County boards thus are primarily administrative groups. Policy decisions are not within their power although they may recommend policy revision to the State Board. The county boards' principal responsibilities may be briefly outlined as follows:

- 1) To appoint, transfer, lay off or promote employes, including the executive director.
- 2) To determine the number of employes and to direct and supervise their services.
- 3) To determine the eligibility of assistance applicants in accordance with law and policies of State Board and to determine the amount of grant for eligible applicants.
- 4) To take measures to promote the welfare and self-dependency of individuals on assistance rolls.
- 5) To conform to the rules, regulations, and standards established by the Department of Public Assistance as to accounting, forms, records and reports.
- 6) To submit assistance and administrative budgets to the DPA as the basis of allocation for assistance funds and administrative costs.
- 7) To hear appeals of assistance recipients from the administrative actions of county employes.

8) To make recommendations to the DPA as to rules, regulations and standards of eligibility.

9) To interpret the work of the DPA to the public.

10) To encourage employable recipients of assistance to accept full time or part time employment.

Membership of the county boards is selected by the Governor with the approval of the Senate. First and second class counties have eleven members while other counties have seven. In so far as possible, boards are to consist of individuals "engaged or interested in business, social welfare, labor, industry, education, or public administration ... no member of a board shall hold office in any political party. Not all members shall belong to the same political party."

The organization and duties of the county boards stemmed from the Goodrich report¹ and were, at that time, based on a desire to retain local participation and control even though no local money was to be directly involved. The original intent apparently was to give these county boards a considerable degree of leeway. This policy was stated by the Goodrich report as follows: "Its (the County Board) function would include the approval of policies, standards of assistance and modes of procedure within the board requirements established by law or by the State Board of Assistance." This idea certainly implies that the county boards, in order to be fully useful, should be allowed to operate in a semi-independent state but within boundaries established by the State Board and by state law.

Whatever may have been the original intent, such is not the case today. In the interest of obtaining uniformity, every effort is made by the DPA to have exactly the same rules of eligibility apply throughout the state.

¹ A Modern Assistance Program for Pennsylvania - Pennsylvania Committee on Public Assistance and Relief - Herbert F. Goodrich Chairman - First General Report, December 15, 1936.

To a very large degree, assistance grants are standardized on a state-wide basis and no county can make a change without state approval. The state power to control county administrative budgets also means that the state DPA can control the numbers of personnel in county offices. Furthermore, the state DPA through the Civil Service Commission sets personnel standards and establishes salary scales and wages. To a large degree administrative procedure and reports are also dictated by the state DPA.

This situation is not necessarily alarming. It has developed because the state furnishes all the money. Practically every control which the DPA has created or acquired is necessary if it alone is to be held strictly accountable for money appropriated to it. It is impracticable to allow the county boards much leeway if the state DPA is to have the sole responsibility for maintaining efficiency and economy.

As of today, then, the county boards have been almost completely stripped of any policy powers. Their principal work seems to consist of handling administrative decisions and personnel, public relations, medical problems and appeals from assistance recipients.

This is not to say that the county boards have not fulfilled a useful purpose. When the state assistance program was reorganized in 1937, it was a drastic upheaval. Entirely new organizations were created both at the state level and the local level. Under these conditions the county board was a valuable means of getting the new system underway. It could help to explain the policies to local people and at the same time pass along local problems to the state level.

Undoubtedly many local ideas thus achieved recognition and embodiment either in law or in current rules and regulations. However, as the State Board and the state DPA achieved experience and understanding, the county boards could contribute less and less. Moreover, the

pressure for uniformity and economy has gradually centralized primary assistance responsibility at the state level.

Under these conditions, the assistance program now seems to be at the crossroads. Either the state should be given full authority over administration along with its implied duties or some new understanding should be created with an increase of responsibility at the local level. It is unfair and unjust to demand an efficient state-wide program for the DPA and yet allow the control of DPA to be weakened by the use of autonomous administrative boards.

It is thus recommended that a definite decision be made as to which method of administration shall be used. In the discussion which follows, two plans are put forth which illustrate how it would be possible to have either state or local control.

Whatever the determination, however, the use of county boards for administrative purposes is open to serious objections. The criticisms which can be levied against a multiple administrative head are well known. Moreover, there is nothing peculiar about an assistance program which requires its use, and the administrative functions of these boards should be abolished. The law with regard to the State Board is very clear on this point as it states, "The powers and duties of the State Board of Public Assistance shall be regulatory and advisory, and not administrative or executive." If county boards are to be retained, their role should be similar to that of the State Board but on a lesser scale. In the areas of public relations, appeals, cooperative planning with private organizations, criminal prosecutions, employment programs, and work relief projects, these boards have many opportunities to be of value to a state-wide program without assuming the duties of administration.

STATE VERSUS LOCAL ADMINISTRATION

The desirability of either complete state control or full local administration of assistance depends very largely on two separate but equally important considerations. The first consideration is entirely a matter of political philosophy concerning the nature of the responsibility which each unit of government should handle. There is no precise boundary line to determine whether or not assistance is primarily a matter of state concern or local concern. Nor is there any accumulation of specific evidence that any one method is superior to the other. Comparison of state costs, however, does show that the present Pennsylvania system is reasonable and that a statewide system can be an effective method of operation.

The Pennsylvania system, with its emphasis on state control, is a calculated risk which requires a good secretary of DPA and a capable state organization.

In Pennsylvania, complete local control would also involve questions of taxation and finance if it is assumed that local governments should make a substantial contribution of local money to help pay for the costs of assistance. At the present time the state and federal governments are carrying all of these costs. A decision for local autonomy would thus require a decision as to the degree of financial participation by local government and subsequently some decision as to what form of taxation would be needed to raise the money.

Arguments for and against local administration of assistance can be summarized as follows:

For State Administration

- 1) State administration eliminates the need for a large amount of local taxation, presumably largely on property.
- 2) Consolidation of administration of all public assistance services eliminates confusion and conflict in policy and avoids duplication of many services.

- 3) Administrative costs per unit of service are reduced under a single organization.
- 4) It permits more flexible cooperation with the federal government.
- 5) Equal opportunity is afforded for public help to all citizens who are in need. Basic general standards are determined under which needy persons shall be entitled to public help. The amount of help for the needy is standardized throughout the state regardless of the resources of the locality.

For Local Administration

- 1) With local administration a good part of the responsibility both for raising the funds and expending them would rest in the locality.

It has been postulated that when the funds for relief have to be raised locally there would be a much more careful check of eligibility and administration of funds. Economies not now sought by the county boards when the state pays the bill are much more likely to be put into effect if local tax rates are directly affected by the public assistance program.

- 2) Amounts of public aid could be much more easily varied according to the locality. This would mean that within a county for example, rents could be varied depending on the district of residence.
- 3) Closer cooperation with other charitable organizations could be established.
- 4) Wherever possible, functions of government such as public assistance should be retained at local levels where they are more responsive to local needs.

FULL STATE CONTROL

The popular conception of the state DPA as now having full administrative control over assistance is misleading. Actually, the state DPA formulates the policies and the standards, but administration is left in local hands. This is accomplished through appointment of local boards by the Governor, and the board in turn selecting its own personnel.

It would require, however, no fundamental changes in organization to give the state DPA full control of the assistance program. First, the state has within its own administrative staff a complete group of technical and advisory personnel for its own information and guidance in formulating policy. Second, the state through its field service force has developed a method of exercising direct supervision of all assistance on a state-wide basis. Hence it could easily work directly through county executives without any administrative help from county boards.

Centralization of state control thus would be relatively easy to accomplish. The only major change would be to eliminate the administrative

power of the county board and transfer it to the state DPA. This would give the state DPA the power to appoint personnel, give promotions and arrange transfers as circumstances warranted. It would also give the state department power to establish any form of county organization it chose and use whatever procedures and methods it wanted. However, the county boards ought not be relieved of all their obligations. Their function should be an advisory one in the same manner as the State Board. The county board could thus assist the local county director in such matters as public relations, development of work relief programs and co-operative work with other agencies in the same fields of work. Likewise, the county boards should continue their work of advising the State Board on local problems affecting state policies.

A SYSTEM OF LOCAL CONTROL

Transition to local control would need to be accompanied by certain administrative policies. First of all, it seems impracticable to consider any unit below the level of the county. Existing organizations operate on this level now and no worthwhile purpose could be served by breaking them down into smaller segments.

Furthermore, the state should not surrender all of its administrative and control powers if it is to furnish any sizeable portion of assistance funds. The state DPA should retain the power to establish and maintain minimum and uniform standards of grants and services which would have to be furnished by all counties. Likewise, the state Civil Service Commission should retain the power to set minimum personnel requirements and salaries for the various job brackets. The state should establish uniform eligibility requirements. Existing state powers to audit county records should be retained along with the power granted to withhold state grants wherever county performance was too far below established standards. Counties should be required to maintain the present system of reimbursement and restitution.

On the other hand, the present state system of paying assistance allowances through area offices should be abolished, and the counties should be required to assume this burden. The present county boards' administrative powers should also be abolished and their powers of administration turned over to the county commissioners or to a single executive.

It may be strongly argued that a sizeable financial participation by local government is a prime factor in any scheme of local public assistance administration on the ground that this participation would insure a sense of responsibility and an interest in economy that would otherwise be lacking.

Assuming that sizeable local financial participation is to be part of any plan for local control of assistance, there still remains a considerable variation in the type of plans it is possible to propose. In the report of the Joint State Government Commission, several possibilities were explored. All of these, however, are involved and complicated and contain undesirable or impractical features. Many other plans have also been suggested.

Below are reviewed the potential financial costs to the counties of three possible plans without any attempt to guess where the revenue might be raised if any of them were actually adopted. There is, of course, an infinite number of other possibilities. These, however, give some idea of the financial obligations counties might face.

- 1) What would happen if the county governments were to pay 50% of all state assistance costs?

The cost in 1951 to the counties would have been approximately \$29,900,000.

- 2) What would happen if the county governments were to pay 25% of all state assistance costs?

This plan in 1951 would have cost the counties \$14,950,000.

- 3) What would happen if the county governments were to pay one-half of all administrative costs and all the state costs for General Assistance?

The cost to the counties in 1951 for this plan would have

been \$20,183,000.

Taxation and finance problems resulting from any shift of control would be difficult. For one thing, it seems very unlikely that the state could reduce its own taxes in any degree even though local participation in assistance would lower state expenditures. Revenue not needed for assistance very probably would be used for other state functions. Thus local money would almost certainly have to be raised by additional taxation at the local level. In addition, those counties with the lowest level of economic resources are apt to have the highest relative assistance costs. Thus the burden of assistance costs might not be equitably distributed unless some allowance could be made for this factor.

A SPECIFIC SUGGESTION FOR LOCAL FINANCIAL PARTICIPATION

In developing a definite scheme of local participation it is believed that simplicity must be the keynote and that some provision must be made to equalize, in a limited degree, the varying resources of the counties and hence their ability to carry assistance costs as an additional expense of government. The statistical criteria of ability to pay are limited and if too many are included, the resulting formula for a state grant would be entirely too complicated. For these reasons, the county per capita market value of real estate was chosen as the rough standard of financial resources available.

After this calculation was made, the counties were then ranked with the counties having the highest per capita market value of real estate at the head of the list. State aid was then extended in inverse proportion to per capita market values but with the proviso that the state would contribute at least 50% of the assistance costs of any county.

Under this plan the counties in the upper bracket would receive 50% of their estimated costs for operating a minimum assistance program while those in the middle bracket would receive between 50% and 75%, and

those in the lower one-third would receive 75%. Those counties in the middle group would receive their reimbursement using an inverse proportion to their respective shares of per capita market value of property. The cost to the counties under this plan, based on 1951 expenditures, would be approximately \$23,270,000.

This plan also assumes that the counties would have full administrative responsibility for their own relief programs with a certain minimum of state aid, depending on their resources. State grants would be based on the costs of operating a minimum program. Counties would be free to raise the standards established by the state with regard to salaries, grants and allowances, and services to be rendered including rehabilitation, but any additional expense would have to be borne in full by the county. The state would thus establish the floor and the counties the ceiling. However, the state should continue to have the power to withhold its grants whenever county administration fails to meet reasonable standards of performance.

ASSISTANCE ALLOWANCES

The calculation of assistance allowances is one of the most basic and important functions in the Department of Public Assistance. This process requires three steps; the determination of minimum needs, computation of their costs, and the granting of an appropriate money allowance. As a general rule, the money allowance for a particular need should be equal to, or at least closely approximate the DPA estimate of its cost.

In practice, however, money allowances have not always closely followed costs. Likewise, the definition of minimum needs has not remained constant. There has been a tendency in Pennsylvania to increase the number of minimum needs and sometimes the size of the standard itself. The consequence has been a steady expansion of the cost base from which money allowances are derived.

Thus for the period of this study both the costs of minimum needs and the amount of money allowances have been steadily rising. Naturally price inflation has contributed a substantial share but it is not solely responsible for the increase of the allowances since 1938.

SYSTEM OF GRANTS

The Department of Public Assistance breaks down its grants into three separate categories; the first of these is described as "Common Items" which includes Food, Clothing, Rent, Fuel and Light and Incidentals. The second category is comprised of "Special Allowances" which includes among other things Medical Care, Burial Expense, and Special Diets. The third category can be described as "Indirect Grants" which are items deductible from any income which a relief recipient may have or earn before that income is used to lower the amount of money grants being paid for common items or special allowances. The principal types of grants are listed in Table 1, and are broken down into the above categories.

The common items of grants comprise the greater bulk of the money

TABLE 1
RECOGNIZED NEEDS

Regular Allowances for Common Items

1. Food
2. Clothing
3. Shelter
4. Fuel and Light
5. Household Supplies
6. Incidentals

Special Allowances

7. Medical Care
8. Burial Expense
9. Special Diets
10. Tubercular Clothing
11. Transportation
(For medical care, employment training or job seeking)
12. Ambulance Service
13. Items to Decrease Need for Assistance
14. Incidental Allowance for the Blind

Indirect Grants Deductible From Income of Relief Recipient

15. Employment Transportation
16. Work Clothing
17. Work Tools
18. Care of Children
19. \$10 per Month for Food, Clothing and Incidentals when Working
20. Nursing Care
- a21. Special Treatment for Handicapped or Maladjusted Children
- a22. Child Participation in Recreational Clubs and Classes, Day or Summer Camps
- a23. Services for Educational or Vocational Guidance and Training
- a24. Housekeeping Services
- a25. Household Equipment

^aSince 1951, deductible only if provided by a private or public agency.

paid out and thus a careful analysis of their nature and content must be made in order to understand and appraise the DPA Program.

Food Allowances and Food Costs

Before further analyzing the food costs and allowances published by the DPA it is important to understand the system in use. This method has been described by the DPA as follows:

"In determining the cost of purchasing food sufficient in quantity and adequate in quality and variety to insure good nutrition and protection of body tissues, the Department used the dietary standards and food plans recommended by the Bureau of Human Nutrition and Home Economics of the United States Department of Agriculture.

" It is recognized that food cannot be bought and prepared as economically for a single individual or a small group as for a larger group, although no adequate measure of the exact difference in economy is available. In this study, the costs shown have been used to represent costs for individuals in families of three, four, or five persons."

In order to judge the trends in food costs and food allowances, a comparison was made between these items and the U. S. Bureau of Labor Statistics Index including both single persons and a family group of four persons. It is assumed that if no changes had been made in the basic standards for food costs, the DPA average costs should have increased approximately at the same rate as that shown by the B.L.S. Index.

However, analysis of Tables 2 and 3 indicates that such has not been the case. The statewide average costs for single persons on assistance have been rising faster than the B.L.S. Index, and the same comment can also be made for the family group of four on assistance. On the other hand, the changes in allowances have been of no particular significance. They simply show that these grants have closely followed costs ever since 1938.

Aside from inflation, the rising trend in food costs as computed by the DPA can be accounted for only to a limited degree. Part of this increase can be explained by a change in the individual diet standards by the DPA which occurred in 1946 and apparently lifted food costs about 10

TABLE 2

COMPARISON OF B. L. S. INDEX OF FOOD COSTS WITH D. P. A. AVERAGE FOOD COSTS AND FOOD ALLOWANCES

FOR ONE PERSON LIVING ALONE ON GENERAL ASSISTANCE OR OLD AGE ASSISTANCE

1938 Equals 100

| Year | B. L. S. Index | Average Costs As Calculated By D. P. A. | G. A. Maximum Allowance | G. A. Maximum Allowance As Percent of Calculated Costs | O. A. A. Maximum Allowance | O. A. A. Maximum Allowance As Percent of Calculated Costs | O. A. A. Maximum Allowance As Percent of Calculated Costs |
|------|-------------------|--|----------------------------|--|-------------------------------|---|---|
| 1938 | 100 | 100 | 100 | 100 | 100 | 100 | 123% |
| 1939 | 98 | 100 | 100 | 100 | 100 | 100 | 122 |
| 1940 | 100 | 100 | 100 | 100 | 100 | 100 | 122 |
| 1941 | 116 | 119 | 100 | 100 | 100 | 100 | 103 |
| 1942 | 136 | 135 | 117 | 104 | 113 | 104 | 104 |
| 1943 | 141 | 157 | 138 | 105 | 133 | 105 | |
| 1944 | 141 | 178 | 149 | 100 | 144 | 100 | |
| 1945 | 145 | 188 | 158 | 100 | 153 | 100 | |
| 1946 | 191 | 268 | 195 | 87 | 189 | 87 | |
| 1947 | 213 | 284 | 230 | 97 | 222 | 97 | |
| 1948 | 211 | 288 | 241 | 100 | 233 | 100 | |
| 1949 | 203 | 267 | 241 | 108 | 233 | 108 | |
| 1950 | 222 | 295 | 235 | 95 | 227 | 95 | |
| 1951 | 233 | 321 | 235 | 87 | 227 | 87 | |

SOURCE: United States Department of Commerce, Bureau of Labor Statistics.

Pennsylvania Department of Public Assistance. Current Living Costs as Related To Standards of Public Assistance in Pennsylvania, 1938 to 1951.

Current Living Costs as Related To Standards of Public

TABLE 3

COMPARISON OF B. L. S. INDEX OF FOOD COSTS WITH D. P. A. AVERAGE FOOD COSTS AND FOOD ALLOWANCES FOR FOUR FAMILY UNIT OF FATHER, MOTHER,
EIGHT YEAR OLD BOY AND FOUR YEAR OLD GIRL

1938 Equals 100

| Year | B. L. S. Index | Average Costs As Calculated by D. P. A. | D. P. A. Maximum Allowance | D. P. A. Maximum Allowance As Percent of Calculated Costs |
|------|-------------------|--|-------------------------------|---|
| 1938 | 100 | 100 | 100 | 102% |
| 1939 | 98 | 101 | 100 | 101 |
| 1940 | 100 | 101 | 100 | 101 |
| 1941 | 116 | 115 | 100 | 89 |
| 1942 | 136 | 128 | 124 | 99 |
| 1943 | 141 | 152 | 151 | 101 |
| 1944 | 141 | 162 | 159 | 100 |
| 1945 | 145 | 168 | 166 | 100 |
| 1946 | 191 | 225 | 188 | 85 |
| 1947 | 213 | 236 | 222 | 96 |
| 1948 | 211 | 238 | 238 | 102 |
| 1949 | 203 | 223 | 238 | 109 |
| 1950 | 222 | 246 | 251 | 104 |
| 1951 | 233 | 260 | 234 | 92 |

SOURCE: United States Department of Commerce, Bureau of Labor Statistics.

Pennsylvania Department of Public Assistance. Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1951.

percent. The principal benefit of this change in diet is the greater variety of foods which can be purchased with the allowance granted. The new diet thus provides more satisfactory nutrition for persons who are on relief for a year or more. This change, however, only explains the increase for the family unit of four, but does not account for the increase in costs attributed to single persons.

The nutrition table used by the DPA was submitted to dietary experts. They were asked to comment on its adequacy and its use of low cost foods. Their opinions were that the diet used by the Department represented a reasonable and healthful assortment of foods and that it made use of the maximum number of low cost products. These opinions naturally presupposed that such a diet would be used for long periods. It should be possible, then, for individuals or families on assistance to have adequate nutrition with the money provided for this purpose by the DPA.

Other factors beside the diet revision have obviously influenced the food costs of individual persons. One is the amount of weight given to the inability of an individual to purchase and use food as economically as a four-person group. The DPA has always recognized the problem but has had difficulty in getting a satisfactory relationship. Another factor is "Wastage." In 1951, a definite statement was made by the DPA that 25 percent was added to represent costs for a person living alone, 10 percent for a family of two and 5 percent subtracted for a family of six or more persons.

One possibility which was given careful consideration in this survey was whether or not statewide variations in food costs could lead to an overall reduction in the amount of money granted for food. This would occur only if more than a majority of relief cases lived in areas where food costs were below average. In this case, food allowances based on such areas would permit a lower total allowance than is the case when a statewide average is used. But no substantial evidence was found that significant

variations occurred as regular phenomena which could be incorporated in calculations of food costs.

In earlier years, the DPA attempted to vary food allowances according to the individual. Those people who were judged to be more active than others received larger allowances. In recent years this practice has been discontinued and all individuals are judged to be "sedentary." Since individual activity is fundamentally a matter of judgment, this policy on the part of the DPA seems to be the only practical solution.

According to the diet used by the DPA there is a substantial difference in the food needed by men and women, with women requiring a lower allowance than men. Although no exact figures are available, there is evidence that women predominate as relief recipients. Thus an indicated saving in total food allowances could be made if the present system of using an average were to be dropped and different sums given to the two sexes.

But analysis of the food grants given by DPA also shows an effort to exercise moderation. The present dietary standards are based on low cost foods and upon the necessity of providing a balanced menu. Changes in diet and individual allowances have been made but these revisions have been based on a desire to be more accurate in appraising basic needs.

Rent, Fuel and Light

Next to food, shelter costs which include rent, fuel, and light represent the DPA's biggest disbursement.

Before analyzing the costs and allowances used by the DPA, it is desirable to understand the system used. This is described by the Department as follows:

" "Rental costs in each county were obtained for December 1951 by a study, made on a sample basis, of the amounts of rent charged for living quarters occupied by public assistance recipients.

"The quantity budgets used in determining the rental costs were computed on the basis of 2 rooms for one person; 3 rooms for 2 persons;

4 rooms for 3 persons; and 6 rooms for 6 or more persons. The costs used for 4 and 5 persons were computed as the cost for 3 persons plus 1/3 and 2/3, respectively, of the difference between the costs for 3 and 6 persons.

"For items other than rent, this study, in common with most other studies on the cost of living, deals only with the average or most representative costs for classified groups. However, since cost data on rent are based on actual rentals paid by assistance recipients, and since there is a fairly wide range in each county in these payments, it is clear that rental costs for approximately one-half of the assistance families who pay rent are higher than the average costs. Therefore, maximum allowances have been compared with average costs and with 'approximate maximum' costs.

"In order to gauge the upper range of costs of shelter occupied by assistance recipients, the 95th percentile was arbitrarily selected and the dollar value computed. In other words, a point was chosen that would approximate the highest rental costs for various sizes of families and give some indication of the range of rentals paid by assistance recipients. A state-wide summary of average rental costs and 'approximate maximum' costs is shown in the following table."

STATE-WIDE SUMMARY OF MONTHLY RENTAL COSTS OF SHELTER
OCCUPIED BY ASSISTANCE RECIPIENTS
BY SIZE OF FAMILY

1951

| Number of Persons in Family | Monthly Costs | |
|--------------------------------|---------------|-----------------------|
| | Average Cost | "Approximate Maximum" |
| 1 | \$14.20 | \$26.20 |
| 2 | 16.20 | 28.60 |
| 3 | 18.00 | 30.00 |
| 4 | 19.60 | 33.00 |
| 5 | 21.20 | 36.00 |
| 6 or more | 22.80 | 39.00 |

The maximum rental allowance is the approximate maximum shown in the table. It includes the rental costs of all but five percent of relief recipients. Since, however, the rent paid determines the rental allowance given, the average cost is more representative of the actual allowance for rent.

By using this sliding scale method the DPA seeks to avoid the inequities that occur with an allowance based on average costs alone. It provides the flexibility needed to deal with the variations in rental costs which are bound to occur in an area the size of Pennsylvania.

Fuel and Light

In determining the costs of fuel and light, the Department first sets up quantity budgets for heating fuel, cooking fuel and electricity. These budgets are based on a climate in which heat is needed for seven months of the year and represent average requirements, assuming efficiency and prudence in the use of fuel and light.

Because of the difference in climate within Pennsylvania, the state was divided into 3 temperature zones, Northern, Central and Southern. The quantities of Heating Fuel needed for the Central Zone was then calculated. Ten percent was added for the Northern Zone and 10 percent was subtracted for the Southern Zone, an approximation of the differences in the averages of degree-days for the observation points within the three zones.

Coal prices for December 1951 were also obtained from representative fuel dealers in each county. These prices and the quantities specified in the heating fuel budget were then combined to obtain the annual cost of heating each size house in each county.

Gas and electric rates for December 1951 were obtained from the Pennsylvania Public Utilities Commission. The rates used for each county were those applying to the greatest number of consumers in that particular county. The budget quantities and prices were then combined to obtain the monthly costs of fuel required for cooking and water heating, and for electricity for each size family in each county.

Total fuel and light costs in each county were than computed for each size of family by adding together the average costs of coal, gas, and electricity. The following table shows a state-wide summary of monthly costs for fuel and light requirements by size of family.

STATE-WIDE SUMMARY OF MONTHLY COSTS OF FUEL AND LIGHT
BY SIZE OF FAMILY
1951

| Number of Persons in Family | Monthly Costs |
|--------------------------------|------------------|
| 1 | \$ 7.20 |
| 2 | 9.60 |
| 3 | 11.20 |
| 4 | 12.20 |
| 5 | 13.00 |
| 6 or more | 14.00 |

Cost Changes

In Tables 4 and 5, a comparison is made between a B.L.S. Index and DPA costs for shelter maintenance. Table 4 is a comparison for single individuals while Table 5 is a comparison for a four-person family. These tables show that in both instances, DPA shelter maintenance has been rising faster than the B.L.S. Index.

This rise in costs and allowances cannot be attributed to changes in the standards for heat, fuel and light. As can be observed in Table 7, the standards have changed only slightly since 1938. The rising costs and allowances in this segment of shelter needs must thus be charged to the general upward inflationary trend in utility prices and fuel prices.

A different situation, however, exists with regard to the standards used for rental costs and allowances. Changes inaugurated since 1938 have materially revised, in an upward direction, the standards used by DPA. An important revision occurred in 1946 when an increase was made in the standard number of rooms per person (See Table 6). This change increased the allowable rental costs and allowances for nearly all persons and families on the assistance rolls. Since fuel, light and heat allowances are based on room occupancy, it correspondingly raised allowances for these items as well. If, however, an adjustment is made for this change, it is still evident that shelter costs have been rising faster than the B.L.S. Index.

TABLE 4
COMPARISON OF B.L.S. INDEX OF RENT WITH D.P.A. SHELTER ALLOWANCES
FOR ONE PERSON LIVING ALONE ON GENERAL ASSISTANCE OR OLD AGE ASSISTANCE

1938 Equals 100

| Year | B. L. S. Index | D. P. A. Average Shelter Allowance | G. A. Maximum Allowance | G. A. Maximum Allowance as Percent of Average Allowance | O. A. A. Maximum Allowance | O. A. A. Maximum Allowance as Percent of Average Allowance |
|------|-------------------|---|-------------------------------|---|----------------------------------|---|
| 1938 | 100 | 100 | 100 | 100 | 100 | 100 |
| 1939 | 100 | 95 | 99 | 87 | 100 | 151 |
| 1940 | 100 | 95 | 99 | 87 | 100 | 151 |
| 1941 | 102 | 101 | 99 | - 82 | 100 | 143 |
| 1942 | 105 | 108 | 109 | 85 | 159 | 211 |
| 1943 | 105 | 106 | 108 | 85 | 147 | 198 |
| 1944 | 105 | 110 | 184 | 139 | 147 | 190 |
| 1945 | 105 | 113 | 184 | 136 | 147 | 186 |
| 1946 | 106 | 115 | 185 | 107 | 147 | 146 |
| 1947 | 109 | 152 | 251 | 138 | 147 | 138 |
| 1948 | 116 | 152 | 288 | 159 | 168 | 159 |
| 1949 | 121 | 190 | 287 | 126 | 167 | 126 |
| 1950 | 127 | 194 | 333 | 143 | 194 | 143 |
| 1951 | 131 | 205 | 382 | 156 | 223 | 156 |

SOURCE: United States Department of Commerce, Bureau of Labor Statistics.

Pennsylvania Department of Public Assistance. Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1951.

TABLE 5

COMPARISON OF B.L.S. INDEX OF RENT WITH D.P.A.

SHELTER ALLOWANCES FOR FOUR PERSON FAMILY GROUPS

1938 Equals 100

| Year | B.L.S. Index | D.P.A. Average Shelter Allowance | D.P.A. Maximum Allowance | Maximum Allowance as Percent of Average Allowance |
|------|-----------------|-------------------------------------|--------------------------------|---|
| 1938 | 100 | 100 | 100 | 79% |
| 1939 | 100 | 95 | 99 | 82 |
| 1940 | 100 | 95 | 99 | 82 |
| 1941 | 102 | 100 | 99 | 77 |
| 1942 | 105 | 111 | 122 | 86 |
| 1943 | 105 | 105 | 121 | 90 |
| 1944 | 105 | 106 | 186 | 137 |
| 1945 | 105 | 109 | 186 | 134 |
| 1946 | 106 | 133 | 187 | 111 |
| 1947 | 109 | 140 | 215 | 121 |
| 1948 | 116 | 152 | 232 | 120 |
| 1949 | 121 | 157 | 231 | 116 |
| 1950 | 126 | 162 | 255 | 124 |
| 1951 | 131 | 154 | 278 | 142 |

SOURCE: United States Department of Commerce, Bureau of Labor Statistics.

Pennsylvania Department of Public Assistance. Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1951.

TABLE 6

COMPARISON OF NUMBER OF ROOMS PER PERSON ALLOWED BY D.P.A.

| Year | Number of Persons | | | | | | | | | |
|------|-------------------|---|---|---|---|-------|---|-------|---|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1938 | 1 | 2 | 3 | 4 | 5 | 5 1/2 | 6 | 6 1/2 | 7 | 7 |
| 1939 | 1 | 2 | 3 | 4 | 5 | 5 1/2 | 6 | 6 1/2 | 7 | 7 |
| 1940 | | | | | | | | | | |
| 1941 | 1 | 2 | 3 | 4 | 5 | 5 1/2 | 6 | 6 1/2 | 7 | 7 |
| 1942 | 1 | 2 | 3 | 4 | 5 | 5 1/2 | 6 | 6 1/2 | 7 | 7 |
| 1943 | 1 | 2 | 3 | 4 | 5 | 5 1/2 | 6 | 6 1/2 | 7 | 7 |
| 1944 | 1 | 2 | 3 | 4 | 5 | 5 1/2 | 6 | 6 1/2 | 7 | 7 |
| 1945 | 1 | 2 | 3 | 4 | 5 | 5 1/2 | 6 | 6 1/2 | 7 | 7 |
| 1946 | 2 | 3 | 4 | 5 | 5 | 6 | 6 | 7 | 7 | 7 |
| 1947 | 2 | 3 | 4 | 5 | 5 | 6 | 6 | 7 | 7 | 7 |
| 1948 | 2 | 3 | 4 | 5 | 5 | 6 | 6 | 7 | 7 | 7 |
| 1949 | 2 | 3 | 4 | 5 | 5 | 6 | 6 | 7 | 7 | 7 |
| 1950 | 2 | 3 | 4 | 5 | 5 | 6 | 6 | 7 | 7 | 7 |

SOURCE: Department of Public Assistance. Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1951.

TABLE 7
D. P. A. FUEL* AND ILLUMINATION ALLOWANCES
FOR FOUR PERSON FAMILIES

| | (4 Rooms) 1938 | (4 Rooms) 1951 | (5 Rooms) 1951 |
|--|-------------------|-------------------|-------------------|
| Bituminous Coal - per Year | 6 1/2 tons | 6 tons | 6 3/4 tons |
| Anthracite Coal - per Year | 4 tons | 5 tons | 5.5 tons |
| Electricity (Average number of Kilowatt hours per month.) | 16.4 | 35 | 40 |

*Seven months period.

SOURCE: Department of Public Assistance. Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1951.

The departmental standards as to the number of rooms permitted a single individual appears to be too generous. A recent study by the Department showed that the occupancy habit of single assistance claimants was to have one room rather than two. If the rental allowance for one person were to be calculated on the occupancy of one room, a substantial saving in rental costs would occur in the OAA, BP, AD and GA programs. It would appear that in this instance the DPA should have kept its earlier standard.

Another significant change which has substantially contributed to the over-all increase in rental costs occurred in 1944 when the present method of computing maximum allowances was adopted. Prior to that time, the maximum allowance was determined by the average cost found in the DPA samples. The sliding scale of rent payments, made permissible since 1944, made it possible for almost half of the persons and families on relief to receive a larger shelter allowance than before.

This 1944 change in policy also explains why maximum shelter allowances have increased so much faster and are so much higher than the DPA average shelter costs.

Conclusion

The sample method used by the DPA has a great deal to recommend it. It has the advantages of reality, simplicity and impartiality. Costs are based on the actual living conditions of those on the assistance rolls. The amounts of rental allowance are easily determined and the size of the sample eliminates any tendencies to be partial to one group or locality.

The departmental standards as to the number of people per room appear to be over generous. A study by the department showed that the occupancy habits of assistance claimants was for a single person to have one room while two persons used three rooms, etc. If single individuals on the relief rolls were only permitted an allowance based on the occupancy of one room, a substantial rental saving should occur in such programs as OAA, BP, AD and GA.

Clothing Costs and Allowances

Clothing has always been recognized by the DPA as one of the essential items of allowances and as such it has been incorporated in the program since 1938.

The method of determining clothing costs and allowances has been described by the DPA as follows:

"In determining the costs of minimum requirements for clothing, a list of the clothing items and quantities needed by persons of each sex in various age groups was first formulated. The clothing items were then priced from the catalogs of large mail-order houses operating both retail stores and mail-order outlets in Pennsylvania, and three percent of the cost of the items was added for shipping charges. The use of mail-order house catalogs makes it possible to obtain prices from a uniform type of retail outlet available to assistance recipients in all parts of the State. Pricing studies at retail clothing stores in cities located in several sections of the State indicate that differences in local prices from mail-order house prices for a fixed quality of clothing would be less than the price differentials which would result from variations in quality and style if prices were obtained from retail outlets in all counties. For clothing upkeep and shoe repairs, the average prices obtained from representative Harrisburg shops were used.

"The standard of quality accepted by the Department for the items of clothing used in the budgets is that of the most inexpensive grade of merchandise. Costs are obtained by averaging the actual priced costs of the male and female clothing budgets for each age group."

In the case of the four-family unit, the DPA average costs have risen at approximately the same rate as an equivalent B.L.S. Index. In some years, such as 1945 and 1946, DPA costs have been considerably higher, but as of 1951 they were only moderately above the Index. (See Table 9)

In the case of single persons on GA or OAA the results have not been so consistent. (See Table 8) There was a sharp decrease in DPA average cost from 1943 to 1944. This appears to have been due to the change from a "moderately active" person as a criterion for clothing needs to an "inactive person." As a result of this change, DPA costs for single individuals have not risen as rapidly as the B.L.S. Index.

It is important to note the wide variations between costs and allowances as shown in column five of Tables 8 and 9. For example, in the early years of the DPA program, the maximum allowance for a four-family unit ran

TABLE 8

COMPARISON OF B. L. S. INDEX OF CLOTHING COSTS WITH D. P. A. AVERAGE CLOTHING COSTS AND MAXIMUM ALLOWANCE FOR ONE PERSON ON GENERAL ASSISTANCE OR OLD AGE ASSISTANCE

1938 Equals 100

| Year | B. L. S. Index | D. P. A. Average Costs | G. A. Maximum Allowance | G. A. Maximum Allowance As Percent of Average Cost |
|------|-------------------|---------------------------|----------------------------|--|--|--|--|
| 1938 | 100 | 100 | 100 | 100 | 63% | 100 | 107% |
| 1939 | 99 | 98 | 100 | 64 | 100 | 109 | 109 |
| 1940 | 100 | 98 | 100 | 64 | 100 | 109 | 109 |
| 1941 | 104 | 104 | 100 | 60 | 100 | 103 | 103 |
| 1942 | 122 | 125 | 100 | 49 | 100 | 85 | 85 |
| 1943 | 127 | 141 | 100 | 44 | 100 | 76 | 76 |
| 1944 | 136 | 107 | 171 | 100 | 100 | 100 | 100 |
| 1945 | 143 | 125 | 171 | 86 | 100 | 86 | 86 |
| 1946 | 157 | 143 | 171 | 75 | 100 | 75 | 75 |
| 1947 | 182 | 134 | 171 | 80 | 100 | 80 | 80 |
| 1948 | 194 | 143 | 229 | 100 | 133 | 100 | 100 |
| 1949 | 186 | 125 | 229 | 114 | 133 | 114 | 114 |
| 1950 | 184 | 134 | 206 | 96 | 120 | 96 | 96 |
| 1951 | 200 | 152 | 206 | 85 | 120 | 85 | 85 |

SOURCE: United States Department of Commerce, Bureau of Labor Statistics.

Pennsylvania Department of Public Assistance. Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1951.

TABLE 9

COMPARISON OF B. L. S. INDEX OF CLOTHING COSTS WITH D. P. A. AVERAGE
CLOTHING COSTS AND MAXIMUM ALLOWANCE FOR FOUR FAMILY UNIT OF
FATHER, MOTHER, EIGHT YEAR OLD BOY AND FOUR YEAR OLD GIRL

1938 Equals 100

| Year | B. L. S. Index | D. P. A. Average Costs | Maximum Allowance | Maximum Allowance As Percent of Average Cost |
|------|-------------------|---------------------------|----------------------|--|
| 1938 | 100 | 100 | 100 | 70% |
| 1939 | 99 | 98 | 100 | 71 |
| 1940 | 100 | 98 | 100 | 71 |
| 1941 | 104 | 102 | 100 | 68 |
| 1942 | 122 | 131 | 100 | 53 |
| 1943 | 127 | 146 | 100 | 47 |
| 1944 | 136 | 149 | 184 | 86 |
| 1945 | 143 | 176 | 184 | 73 |
| 1946 | 157 | 194 | 200 | 71 |
| 1947 | 182 | 184 | 200 | 75 |
| 1948 | 194 | 194 | 262 | 93 |
| 1949 | 186 | 178 | 262 | 101 |
| 1950 | 184 | 186 | 249 | 93 |
| 1951 | 200 | 210 | 249 | 82 |

SOURCE: United States Department of Commerce, Bureau of Labor Statistics.

Pennsylvania Department of Public Assistance. Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1951.

between 50 and 70 percent of average cost. In the case of the single individual on GA, it ran between 50 and 65 percent of cost. In contrast, individuals on OAA were receiving what was computed to be a full allowance. In recent years, clothing allowances for both groups have approximately equaled costs and this discrepancy has therefore been eliminated with the passage of time.

Analysis of Clothing Standards and Prices. A detailed and careful analysis was made of the 1950 standard clothing quantities and prices established by DPA. This work was done by a specialist in this field who is a member of a leading technical organization.

The study revealed that the DPA standards are very close in quantity and somewhat low in costs compared to the estimated actual needs as calculated by this organization. Since complete accuracy in the determination of clothing standards is an impossibility, the closeness of the results of the two studies indicates that the DPA standards are well conceived and moderately priced.

Costs and Allowances for Household and Incidental Items

The needs represented by household and incidental items were acknowledged by the DPA at the inception of its program in 1938. However, as can be seen from Tables 10 and 11, the costs and allowances for these needs were only gradually given recognition.

In 1950 all of these items were incorporated under the item "Incidentals" for which one allowance was granted. The nature of the needs, the costs and the subsequent allowances were described in 1950 by the DPA as follows:

"Incidentals. The budget item 'Incidentals' represents minimum essentials associated with: (1) household cleaning and maintenance supplies; and (2) personal care and miscellaneous items such as newspapers, church attendance, stationery supplies, tobacco, recreational activities, etc."

"To determine the costs, the budget items were priced in Harrisburg stores and outlets considered representative of low-priced stores

TABLE 10

COMPARISON OF ALLOWANCES AND COSTS FOR INCIDENTALS (PERSONAL CARE AND HOUSEHOLD EXPENSES)

FOR SINGLE PERSONS ON GENERAL ASSISTANCE OR OLD AGE ASSISTANCE

| Year | G. A. | | G. A. | | G. A. | | G. A. | | G. A. | | G. A. | |
|------|---|--|-------------|---------------------------|--------|---------------------------|-----------------------------|---|--|----------|---------------------------|----------|
| | Household Costs As Calculated by D. P. A. | Personal Costs As Calculated by D. P. A. | Total G. A. | Allowance for Incidentals | G. A. | Allowance for Incidentals | Percent of Calculated Costs | Household Costs As Calculated by D. P. A. | Personal Costs As Calculated by D. P. A. | G. A. A. | Allowance for Incidentals | G. A. A. |
| 1938 | \$.50 | - | - | - | - | - | - | \$.50 | \$.50 | - | - | \$ 3.00 |
| 1939 | .45 | - | - | - | - | - | - | .45 | .45 | - | - | - |
| 1940 | .45 | - | - | - | - | - | - | .45 | .45 | - | - | - |
| 1941 | .50 | - | - | - | - | - | - | .50 | .50 | - | - | - |
| 1942 | - | - | - | - | - | - | - | - | - | - | - | - |
| 1943 | .50 | - | - | - | - | - | - | .50 | .50 | - | - | - |
| 1944 | .80 | \$3.50 | \$4.30 | \$.80 | \$.80 | 16% | \$.80 | \$3.50 | \$4.30 | \$ 3.00 | \$ 3.00 | \$ 3.00 |
| 1945 | - | - | 3.00 | .80 | .80 | 27 | - | - | 3.00 | 3.00 | 3.00 | 3.00 |
| 1946 | 1.50 | 2.00 | 3.50 | .80 | .80 | 23 | 1.50 | 2.00 | 3.50 | 3.00 | 3.00 | 3.00 |
| 1947 | 2.00 | 2.00 | 4.00 | 3.00 | 3.00 | 75 | 2.00 | 2.00 | 4.00 | 3.00 | 3.00 | 3.00 |
| 1948 | 2.25 | 2.50 | 4.75 | 3.00 | 3.00 | 63 | 2.25 | 2.50 | 4.75 | 3.00 | 3.00 | 3.00 |
| 1949 | 2.00 | 2.40 | 4.40 | 3.00 | 3.00 | 68 | 2.00 | 2.40 | 4.40 | 3.00 | 3.00 | 3.00 |
| 1950 | 2.25 | 2.50 | 4.75 | 3.00 | 3.00 | 63 | 2.25 | 2.50 | 4.75 | 3.00 | 3.00 | 3.00 |
| 1951 | 2.50 | 2.75 | 5.25 | 3.00 | 3.00 | 57 | 2.50 | 2.75 | 5.25 | 3.00 | 3.00 | 3.00 |

SOURCE: Pennsylvania Department of Public Assistance. Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1951.

TABLE 11

COMPARISON OF ALLOWANCES AND COSTS FOR INCIDENTALS (PERSONAL AND HOUSEHOLD EXPENSE) FOR FOUR
FAMILY UNIT OF FATHER, MOTHER, EIGHT YEAR OLD BOY AND FOUR YEAR OLD GIRL

| Year | Household Costs As Calculated by D. P. A. | Personal Costs As Calculated by D. P. A. | Total Incidentals | D. P. A. Allowance for Incidentals | |
|------|---|--|-------------------|------------------------------------|---|
| | | | | D. P. A. | D. P. A. Allowance as Percent of Calculated Costs |
| 1938 | \$1.70 | - | - | - | - |
| 1939 | 1.60 | - | - | - | - |
| 1940 | 1.60 | - | - | - | - |
| 1941 | 1.80 | - | - | - | - |
| 1942 | - | - | - | - | - |
| 1943 | 1.75 | - | - | \$2.00 | 19% |
| 1944 | 2.00 | \$8.40 | \$10.40 | 2.00 | 22 |
| 1945 | 2.00 | 7.00 | 9.00 | 2.00 | 21 |
| 1946 | 3.90 | 5.50 | 9.40 | 2.00 | 59 |
| 1947 | 4.25 | 6.00 | 10.25 | 6.00 | |
| 1948 | 4.50 | 8.00 | 12.50 | 6.00 | 48 |
| 1949 | 4.25 | 7.65 | 11.90 | 6.00 | 50 |
| 1950 | 4.50 | 8.00 | 12.50 | 6.00 | 48 |
| 1951 | 4.75 | 9.00 | 13.75 | 6.00 | 44 |

SOURCE: Pennsylvania Department of Public Assistance. Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1951.

available to most assistance recipients throughout the State. The standard of quality accepted by the Department was, for most of the items, that of nationally known, inexpensive grades of merchandise.

"Quantity budgets for household cleaning and maintenance supplies sufficient for families containing 2, 5, and 8 persons, and unit prices of the budget items are first established. The costs then obtained from a pricing of these budgets served as a base for estimating the costs for families of all sizes from one to 9 or more persons.

"Basic budgets are also established for personal care for persons of each sex in the various age groups. No budgets are created for the items considered in the miscellaneous groups, since the need for such items must necessarily depend to a great extent upon the tastes, activities and capacities of the individual. Some social or recreational activities may be available without cost; but in most instances, these and other items necessitate some cash expenditure. The Department has determined the approximate monthly cost of common items of expense, such as a newspaper, magazine, stamps and stationery, church contributions, an occasional movie, candy, tobacco, etc."

In the case of incidental items, it is interesting to note the gradual increase in the number of expense items which are recognized and the consequent rise in the costs and allowances. However, the allowances for incidental items have never equaled the estimated costs. Even in 1950 allowances do not approximate estimated costs. For example, the four-person family allowance was \$6, which still only represented 48.2 percent of estimated costs. The same situation existed with regard to single individuals on GA, where the allowance began at 16.3 percent of costs and in 1950 had only reached 63.2 percent of costs.

Assuming that all the items included in this category are justifiable and that the costs are correctly computed, then the allowances are too low. The probabilities are that unless these estimates are reduced, future allowances will gradually be raised until they approximate 100 percent of costs. This part of public assistance expenditures will then increase regardless of price fluctuations.

Special Allowances

Although the DPA does not officially designate medical care as a special allowance, nevertheless it is granted only under special circumstances

and involves problems of administration considerably different from those grants which are treated as routine.

The DPA was asked to indicate in what year the special allowances including medical care were inaugurated. This information along with certain comments is tabulated below:

Special Allowances

Medical Care Program

Payments made directly to the provider of the service since 1938. Since 1947 payments for such recurring needs as maintenance of hearing aids and special medical and surgical supplies are included in the assistance check; this method is less expensive since it removes the necessity for using prescriptions for each reorder and decreases the number of invoices processed.

Burial Program

Payments made directly to the provider of the service since 1938.

Special Diets

Began in 1943. Modified in 1950 to include only those diets for which the Department has established standards and cost figures. These diets are (1) for ambulatory tubercular persons, (2) for anemic persons, (3) smooth bland, (4) for diabetic persons, and (5) for fat diets.

Clothing Needed by Recipients Admitted to Tuberculosis Sanitorium

1949 - Developed at the request of and in cooperation with the State Department of Health. Prior to 1949 payments made under the regulation "Grant to Decrease Need for Assistance," standards and cost figures not established.

**Transportation
Employment Training and
Job Seeking
To a Source of Necessary
Medical Care**

1943

1945

Ambulance Service

1940 - Conditions under which payments are made restricted, and costs limited so that they do not exceed a specific maximum - \$20.00.



Grant to Decrease Need for Assistance

1941 - To facilitate labor mobility. Payments made in 1942-1943 under the "Grub Stake Plan" included not only transportation costs to site of employment, but also shelter and maintenance until receipt of first pay.

Incidental Allowances for the Blind

1949 - Given only to persons who are visually eligible for Blind Pensions, but who choose to receive assistance in lieu of Blind Pension.

Deductible From Income

| | |
|---|---|
| Employment Transportation | 1938 |
| Work Clothing | 1938 |
| Work Tools | 1938 |
| Care of Children | 1939 |
| \$10.00 per month for Food, Clothing, and Incidental when working | Additional deductions for wage earners introduced in 1939, modified in 1944 and 1945, listed item in effect since 1947. |
| Nursing Care | Contributions for nursing care have been deductible from income since 1940. Current procedure in effect since 1947. |
| Maladjusted Children) |) |
| Child Participation in) |) |
| Recreational Clubs and) |) |
| Classes, Day or Summer) |) |
| Camps) |) |
| Services for Educational or) |) |
| Vocational Guidance and) |) |
| Training) |) |
| Housekeeping Services) |) |
| Household Equipment) |) |

While many of these allowances were introduced in 1938 and 1939, others came into the programs at a later date. Thus the tendency to add services has existed here as in the case of the routine items.

Of course some of these services are much more important from a cost standpoint than others. Nor does the fact that an allowance has been on the list since 1938 mean that costs, disregarding inflation, have remained constant.



The medical care program, for example, has been expanded a great deal since the early days and the rising costs include additional services as well as inflationary pressures.

Looking at all these items individually, it is hard to dispute their justice. Nevertheless, it also has to be recognized that each additional service adds to the financial burden assumed by the state and indirectly by its citizens.

This gradual build-up in DPA services deserves a constant and unceasing scrutiny, particularly by the State Board. The validity of any item should always be open to question and certainly a periodic review and approval should be standing policy.

INTERSTATE COMPARISONS

Interstate comparisons serve as a rough guide to the cost of individual programs and the total cost of all programs for the states so analyzed. These comparisons also provide clues as to whether an undue proportion of individual state income is devoted to assistance. Since each state has its own ideas as to the nature of a suitable program, comparisons are not a precise standard but only a good general guide as to what each state is doing. In order to provide suitable data, the League in each case took the five years of 1947 through 1951 and the average of these years. Further comparisons were made on the basis of a 10-state average and the United States average.

Total Assistance Costs

Actually the most important criterion for assessing the cost of assistance is the total amounts spent for all programs. This is because assignment of cases to individual programs varies between states as does the nature of the various programs themselves. Comparisons of Pennsylvania's total per capita costs are shown in Table 12.

TABLE 12
ANNUAL PER CAPITA PAYMENTS FOR ALL CATEGORIES OF ASSISTANCE
PENNSYLVANIA AND REPRESENTATIVE STATES
(Calendar Year)

1947 to 1951

| <u>State</u> | <u>1947</u> | <u>1948</u> | <u>1949</u> | <u>1950</u> | <u>1951</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Pennsylvania | 8.66 | 9.71 | 12.38 | 13.00 | 10.03 |
| California | 13.70 | 16.76 | 25.77 | 30.69 | 30.60 |
| Illinois | 11.12 | 12.05 | 14.11 | 13.58 | 13.15 |
| Indiana | 6.75 | 7.40 | 8.44 | 9.39 | 8.32 |
| Massachusetts | 15.33 | 17.74 | 21.23 | 24.07 | 23.00 |
| Michigan | 11.24 | 12.80 | 15.19 | 16.47 | 14.75 |
| New Jersey | 3.93 | 4.49 | 5.54 | 6.01 | 5.39 |
| New York | 10.64 | 11.92 | 14.40 | 15.18 | 14.62 |
| Ohio | 9.56 | 10.93 | 12.70 | 12.57 | 11.70 |
| Wisconsin | 8.73 | 9.64 | 11.49 | 12.75 | 12.73 |
| Average 10 States | 9.97 | 11.34 | 14.13 | 15.37 | 14.43 |
| U. S. Average | 9.82 | 11.47 | 14.45 | 15.72 | 15.20 |

Note: Because of rounding this table does not compare exactly with the sums of Tables 14, 15, 16 and 17.

In general Table 12 shows that over-all costs of the Pennsylvania assistance program are not unreasonable. This state apparently has a good record in keeping such costs below most comparable states.

Amount of Pennsylvania Income Payments Expended on Public Assistance

That Pennsylvania's per capita DPA costs seem reasonable is further sustained by an analysis of the percentage of total state-wide individual income payments going for assistance. This analysis is shown in Table 13.



TABLE 13
PAYMENTS FOR ALL CATEGORIES OF PUBLIC ASSISTANCE AS A
PERCENTAGE OF INCOME PAYMENT TO INDIVIDUALS
PENNSYLVANIA AND REPRESENTATIVE STATES

1947 to 1951

| <u>State</u> | <u>1947</u> | <u>1948</u> | <u>1949</u> | <u>1950</u> | <u>1951</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Pennsylvania | .63 | .67 | .90 | .85 | .60 |
| California | .87 | 1.04 | 1.61 | 1.75 | 1.58 |
| Illinois | .69 | .68 | .87 | .77 | .68 |
| Indiana | .55 | .52 | .64 | .65 | .50 |
| Massachusetts | 1.09 | 1.21 | 1.47 | 1.50 | 1.32 |
| Michigan | .80 | .86 | 1.06 | 1.04 | .85 |
| New Jersey | .30 | .28 | .35 | .35 | .29 |
| New York | .62 | .66 | .83 | .81 | .73 |
| Ohio | .69 | .72 | .89 | .79 | .65 |
| Wisconsin | .66 | .68 | .85 | .89 | .79 |
| Average 10 States | .69 | .73 | .95 | .94 | .80 |
| U. S. Average | .76 | .83 | 1.09 | 1.09 | .96 |

This table is a fair test of whether a disproportionate share of their income is being taken from Pennsylvania's citizens for assistance programs. The evidence is that Pennsylvania's efforts are about average.



General Assistance

In Table 14 below an analysis is made of the general assistance program in Pennsylvania.

TABLE 14
ANNUAL PER CAPITA PAYMENTS FOR GENERAL ASSISTANCE
PENNSYLVANIA AND REPRESENTATIVE STATES

1947 to 1951

| <u>State</u> | <u>1947</u> | <u>1948</u> | <u>1949</u> | <u>1950^a</u> | <u>1951^a</u> |
|----------------------|-------------|-------------|-------------|-------------------------|-------------------------|
| Pennsylvania | 1.34 | 1.54 | 2.61 | 3.11 | 1.91 |
| California | 1.25 | 1.63 | 2.24 | 2.15 | 1.59 |
| Illinois | 1.48 | 1.93 | 2.77 | 2.89 | 2.32 |
| Indiana | .72 | .83 | 1.18 | 1.18 | .89 |
| Massachusetts | 1.62 | 1.94 | 2.83 | 3.26 | 2.70 |
| Michigan | 1.81 | 2.51 | 3.03 | 2.98 | 1.78 |
| New Jersey | .72 | .98 | 1.58 | 1.74 | 1.20 |
| New York | 3.10 | 3.37 | 4.51 | 5.08 | 4.53 |
| Ohio | 1.19 | 1.62 | 2.32 | 2.12 | 1.50 |
| Wisconsin | .64 | .73 | 1.25 | 1.50 | 1.12 |
| Average 10 States | 1.39 | 1.71 | 2.43 | 2.60 | 1.95 |

^aIncludes Aid to Disabled programs

It seems evident from Table 14 that General Assistance costs in Pennsylvania are similar to those in Illinois, Ohio and Michigan. While Pennsylvania's costs are not as low as some of its bordering states, its efforts appear to be about average when compared to results of all ten states.

Old Age Assistance

In Table 15 following, Pennsylvania's Old Age Assistance Program is again compared with other states.

TABLE 15
ANNUAL PER CAPITA PAYMENT FOR OLD AGE ASSISTANCE
PENNSYLVANIA AND REPRESENTATIVE STATES
1947 to 1951

| <u>State</u> | <u>1947</u> | <u>1948</u> | <u>1949</u> | <u>1950</u> | <u>1951</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Pennsylvania | 3.50 | 3.70 | 4.06 | 3.98 | 3.52 |
| California | 10.71 | 12.47 | 19.41 | 21.45 | 20.83 |
| Illinois | 6.88 | 7.15 | 7.66 | 7.30 | 7.25 |
| Indiana | 4.83 | 5.05 | 5.38 | 5.71 | 5.22 |
| Massachusetts | 11.25 | 12.86 | 14.78 | 16.72 | 16.25 |
| Michigan | 6.41 | 6.88 | 7.98 | 8.77 | 8.46 |
| New Jersey | 2.35 | 2.48 | 2.80 | 2.95 | 2.86 |
| New York | 4.18 | 4.57 | 5.05 | 5.11 | 5.10 |
| Ohio | 7.26 | 7.99 | 8.86 | 8.76 | 8.35 |
| Wisconsin | 5.93 | 6.41 | 7.25 | 7.90 | 8.15 |
| Average 10 States | 6.33 | 6.96 | 8.32 | 8.87 | 8.60 |

The Department of Public Assistance deserves praise for the low per capita cost of Pennsylvania's program, especially when compared to other industrial states. This analysis supports the Department of Public Assistance claim that old age assistance in Pennsylvania is not a disguised pension program for oldsters.

Aid to Dependent Children

The costs of the Aid to Dependent Children program in Pennsylvania are on the high side as shown in Table 16.

TABLE 16

ANNUAL PER CAPITA PAYMENT FOR AID TO DEPENDENT CHILDREN
PENNSYLVANIA AND REPRESENTATIVE STATES

1947 to 1951

| <u>State</u> | <u>1947</u> | <u>1948</u> | <u>1949</u> | <u>1950</u> | <u>1951</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Pennsylvania | 3.17 | 3.80 | 5.01 | 5.19 | 3.90 |
| California | 1.27 | 2.04 | 3.27 | 6.12 | 7.14 |
| Illinois | 2.49 | 2.70 | 3.39 | 3.11 | 3.29 |
| Indiana | 1.01 | 1.31 | 1.68 | 2.28 | 2.00 |
| Massachusetts | 2.30 | 2.77 | 3.41 | 3.84 | 3.76 |
| Michigan | 2.91 | 3.29 | 4.03 | 4.53 | 4.33 |
| New Jersey | .80 | .96 | 1.07 | 1.22 | 1.22 |
| New York | 3.22 | 3.82 | 4.66 | 4.79 | 4.78 |
| Ohio | .93 | 1.11 | 1.28 | 1.43 | 1.59 |
| Wisconsin | 2.00 | 2.31 | 2.78 | 3.12 | 3.22 |
| Average 10 States | 2.01 | 2.41 | 3.06 | 3.56 | 3.52 |

Pennsylvania is consistently above most other comparable states. This trend is not in conformance with the expenditures found in Old Age Assistance or General Assistance. Study of the eligibility audit records shows that the ADC program is one of the most troublesome. The number of exceptions taken and the amounts of overpayments all indicate that better control of ADC cases would lower these costs.

Blind Pensions

The cost of the Blind Persons Program is high as compared to most other states. Comparative costs are shown in Table 17. The reasons for this difference deserve further analysis.

TABLE 17

ANNUAL PER CAPITA PAYMENTS FOR AID TO THE BLIND

PENNSYLVANIA AND REPRESENTATIVE STATES

1947 to 1951

| <u>State</u> | <u>1947</u> | <u>1948</u> | <u>1949</u> | <u>1950</u> | <u>1951</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Pennsylvania | .65 | .67 | .70 | .70 | .70 |
| California | .47 | .62 | .85 | .97 | 1.04 |
| Illinois | .27 | .27 | .29 | .28 | .29 |
| Indiana | .19 | .20 | .21 | .22 | .21 |
| Massachusetts | .16 | .18 | .21 | .25 | .29 |
| Michigan | .11 | .12 | .15 | .18 | .18 |
| New Jersey | .06 | .07 | .09 | .10 | .11 |
| New York | .14 | .16 | .18 | .19 | .20 |
| Ohio | .18 | .21 | .24 | .26 | .26 |
| Wisconsin | .17 | .18 | .21 | .23 | .24 |
| Average 10 States | .24 | .27 | .31 | .34 | .35 |

Blind Pensions in Pennsylvania

Blind persons in Pennsylvania with annual incomes less than \$1,716 are awarded pensions under two programs in the Department of Public Assistance.

A blind person may receive a pension:

- (1) Under a program not related to his need but to his income, or
- (2) Under a program in which both his needs and resources are evaluated. This program is federally aided.

The BP-B Program

Under the first program, called the BP-B program by the Department, the maximum pension is \$50 a month. The pension plus the person's income must not exceed \$1,716 annually or \$143 a month.

Therefore, any person whose personal income is \$93 or less per month receives a pension of \$50 a month. For every dollar of income over \$93 a month, a dollar is deducted from the pension so that the total will not be more than \$143.

This program is not federally aided since it is not based on need.

The BP-M Program

The BP-M program is federally supported, since it is based on need.

A "needy" blind person is defined as one whose resources in cash or goods are less than the sum of all the allowances the Department has established as a minimum living standard.

Beginning July, 1952, earned income up to \$50 a month is exempted when the allowance for a blind person is computed. It is thus evident that some blind persons (those whose income is earned) receiving aid under the BP-B program may be shuttled to the BP-M program. A saving to the State will be thus effected since the federal government will help to foot the bill for some cases now on the BP-B program. However, the effects of this new ruling are not yet evident.

Support Laws Not Invoked

The blind pension programs in Pennsylvania differ from the other assistance programs in another respect. The provisions of the support laws are not applied to the blind.

The report of the Joint State Government Commission to the 1951 General Assembly shows that 87.2% of the blind have relatives designated in the support laws who are not receiving any public assistance. Therefore, it can be assumed that many of these individuals could contribute to the support of their blind relatives. If the support laws were applied to the blind, a substantial saving for the state would be bound to result.

2. The cost of the ADC program is excessive, compared with other states. As will be indicated in a later chapter the percentage of errors is excessively high in ADC cases. This indicates that this program needs far more careful administration than is now the case.

3. All blind pensions should be put on a needs basis the same as other assistance programs and the provisions of the support law should be applied as well.

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3. All blind pensions should be put on a needs basis the same as other assistance programs and the provisions of the support law should be applied as well.

IV

PERSONNEL

The personnel administration of the Department of Public Assistance is based principally upon the requirements of a civil service organization. All of the positions are classified and graded. Salaries progress gradually upward through the grades, and each grade has a range which provides for a limited number of increment increases. Methods exist for rating personnel and for selective promotions as well as discharges. A training program has been organized for the betterment of all personnel. Selection of new people is based on a civil service examination and stipulated qualifications.

Personnel responsibility is divided. The state has established the system but the county boards operate it. (See section on State versus Local Administration.) State supervision thus only assures that the rules and regulations are followed. Selection of personnel, their advancement and their salaries within grade are county problems. The same is true of training as well as recruitment.

PERSONNEL PROBLEMS

Personnel problems within the DPA, particularly within the county offices, tend to magnify the administrative problems. One of the most difficult of these personnel problems is that of turnover among the visitors and clerical help. Since the work of the DPA is never easy or simple, a stable organization with a high degree of experience would produce the best results. Unfortunately, this situation does not normally exist among all the counties. In the case of some, such as Allegheny and Philadelphia, a high turnover seems to invite unsatisfactory administration.

Turnover as a statewide problem is illustrated in Table I.

TABLE I
SEPARATIONS AND RESIGNATIONS RELATED TO AVERAGE DPA STAFF
YEARLY TOTALS 1948 TO 1950 AND 8 MONTHS' TOTAL IN 1951
TOTAL STATE

| | Ave. No. Employed | Total Separations No. | Total Separations Percent | Resignations No. | Resignations Percent |
|------------------------|----------------------|--------------------------|------------------------------|---------------------|-------------------------|
| <u>1948</u> | | | | | |
| Group 1 | 304 | 16 | 5 | 13 | 4 |
| Group 2 | 1,814 | 463 | 26 | 378 | 21 |
| Group 3 | 1,539 | 405 | 26 | 270 | 18 |
| Total | 3,657 | 884 | 24 | 661 | 18 |
| <u>1949</u> | | | | | |
| Group 1 | 308 | 27 | 9 | 19 | 6 |
| Group 2 | 1,956 | 435 | 22 | 295 | 15 |
| Group 3 | 1,628 | 349 | 21 | 227 | 14 |
| Total | 3,892 | 811 | 21 | 541 | 14 |
| <u>1950</u> | | | | | |
| Group 1 | 316 | 22 | 7 | 15 | 5 |
| Group 2 | 2,326 | 654 | 28 | 435 | 19 |
| Group 3 | 1,843 | 572 | 31 | 348 | 19 |
| Total | 4,485 | 1,248 | 28 | 798 | 18 |
| <u>1951 (8 Months)</u> | | | | | |
| Group 1 | 317 | 41 | 13 | 20 | 6 |
| Group 2 | 2,141 | 403 | 19 | 312 | 15 |
| Group 3 | 1,765 | 280 | 16 | 211 | 12 |
| Total | 4,223 | 724 | 17 | 543 | 13 |

Group 1 - Administrative, Technical, and Top Supervisory

Group 2 - Social Service.

Group 3 - Clerical, Stenographic, Custodial, and Miscellaneous.

It can be seen from an examination of this table that the top supervisory staff in DPA is much more stable than the clerical and social service groups. Moreover, in view of the lesser responsibilities of the clerical group, this turnover can be handled much more easily than in the social service or visitor category.

As could be expected, the experience of individual counties varies considerably from that shown by the state as a whole. In Table II the record is given for fourteen representative counties.

TABLE II
PERSONNEL TURNOVER
VISITORS AND JUNIOR SUPERVISORS
REPRESENTATIVE COUNTIES

| County | Percent Turnover | | | |
|----------------------|------------------|------|------|------|
| | Average | 1948 | 1949 | 1950 |
| Allegheny | 26 | 23 | 19 | 35 |
| Beaver | 41 | 50 | 31 | 41 |
| Bedford | 17 | 33 | 11 | 8 |
| Berks | 17 | 19 | 15 | 16 |
| Dauphin | 28 | 31 | 14 | 40 |
| Fayette | 15 | 14 | 9 | 21 |
| Huntingdon | 8 | 0 | 0 | 23 |
| Lancaster | 13 | 11 | 10 | 18 |
| Lehigh | 10 | 8 | 8 | 13 |
| Luzerne | 13 | 14 | 25 | 9 |
| Northampton | 25 | 29 | 19 | 27 |
| Perry* | 29 | 50 | 33 | 0 |
| Philadelphia | 40 | 44 | 36 | 39 |
| Schuylkill | 6 | 6 | 0 | 13 |
| Median - 14 Counties | 17 | | | |
| Median - 1950 | | | | |
| All 67 Counties | | | | 21 |

* Perry County had but two employes in this category in 1948 and three in 1949 and 1950. Thus a loss of one in 1948 brought the percent to 50 percent in 1948 and 33 percent in 1949.

Using the median of 17 percent as standard or normal, relatively high turnover is shown by Allegheny, Dauphin and Philadelphia Counties which showed unfavorable results in other tests of good administration. On the other hand, Beaver and Northampton with good administrative records also had high turnovers. Berks and Luzerne with an otherwise poor administrative record had low turnover.

This uneven result indicates that while high visitor turnover may contribute to county administrative problems, it is not necessarily the sole cause for poor operations. Some counties can absorb the changes in personnel much better than others. In this instance, moreover, some consideration must be given to size of staff since the changes in Perry County certainly do not seem to be as troublesome as those which confront Philadelphia or Allegheny.

In the fourteen counties studied, turnover in clerical help was higher than for the other two groups of personnel. (See Table III)

Allegheny, Philadelphia and Dauphin again recur among those five having the highest turnover, and these counties are joined by Berks and Lancaster.

The turnover in clerical help while not so damaging as in the case of social service workers, can still be quite troublesome. It can cause serious delays in routine work and in some instances may force supervisors and visitors to take a hand. All of this lowers the general efficiency of an office and complicates the problem of doing a good job on assistance cases.

Reducing Turnover

However, recognizing the presence of high turnover does not provide an easy answer. Part of the answer exists in present pay scales and job qualifications. Another part of the answer exists in the limited

TABLE III
PERSONNEL TURNOVER
CLERICAL AND TYPING EMPLOYES
FOURTEEN REPRESENTATIVE COUNTIES

| County | Percent Turnover | | | |
|----------------------|------------------|------|------|------|
| | Average | 1948 | 1949 | 1950 |
| Allegheny | 24 | 23 | 20 | 28 |
| Beaver | 8 | 0 | 25 | 0 |
| Bedford | 29 | 20 | 0 | 67 |
| Berks | 37 | 28 | 37 | 47 |
| Dauphin | 38 | 17 | 38 | 59 |
| Fayette | 23 | 8 | 12 | 50 |
| Huntingdon | 18 | 29 | 13 | 13 |
| Lancaster | 31 | 58 | 8 | 27 |
| Lehigh | 14 | 9 | 9 | 25 |
| Luzerne | 22 | 26 | 19 | 22 |
| Northampton | 21 | 20 | 18 | 25 |
| Perry* | 11 | 33 | 0 | 0 |
| Philadelphia | 28 | 37 | 23 | 25 |
| Schuylkill | 11 | 17 | 15 | 12 |
| Median - 14 Counties | 22.5 | | | |
| Median - 1950 | | | | |
| All 67 Counties | | | | 25 |

* Perry had but three clerical employees. Thus a turnover of one employe brought the percent to 33 percent.

opportunities for advancement. And another part lies in the fluctuating case loads in which are reflected the constantly changing needs for more or less personnel.

Departmental policy requires that the county staffs maintain a definite ratio to the size of the caseload. But the size of the caseload, it should be remembered, is out of the hands of DPA because factors beyond the department's control add cases to, or subtract from the assistance rolls. The department's part is a passive one. It has to provide the people to service whatever needs arise. As the caseload rises and falls throughout the state, corresponding adjustments must be made in the visitor and the clerical staff. Minor changes can be easily absorbed by internal change, but not major variations.

The impact of caseload fluctuation is demonstrated by Table IV. This table covers a period which carries through the 1949 cycle of strikes in the coal and steel industry with resultant direct and indirect unemployment. It shows how the DPA had to adjust itself to meet what became a serious situation throughout the state. Subsequently the needs subsided when these two industries went back to normal production. It should also be pointed out that this cycle was of fairly short duration but was severe while it lasted. This example thus emphasizes the inherent problem of recruiting and training individuals who will be required to handle responsible work but whose services may only be needed for short periods.

Problems of Personnel Advancement

The DPA should be allowed to deal more effectively with those policies which tend to limit individual opportunities for advancement. At the present time, individuals hired by the county board usually have no chance for promotion except as it may exist within the county

TABLE IV

COMPARISON OF FLUCTUATIONS IN AVERAGE CASE LOADS, NUMBER OF VISITORS, AND TOTAL

STAFF MEMBERS BY PERCENT OF CHANGE

STATE TOTAL

| | PERCENT CHANGE | | | | | |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1st half 1949 as % of | 2nd half 1949 as % of | 1st half 1950 as % of | 2nd half 1950 as % of | 1st half 1950 as % of | 2nd half 1950 as % of |
| Average Case Load per Month | + 6.8% | + 10.1% | + 8.2% | - 7. | - 11.8% | - 8.8% |
| No. of Visitors on the Staff | + 3.6 | + 12.9 | + 9.7 | + 0.2 | - | - 8.8 |
| No. of Staff Members | + 3.3 | + 10.6 | + 8.7 | + 0.9 | - 6.7 | - |

organization. Thus, persons with considerable ability may easily be thwarted by a static county administration where no worth-while opportunities will appear for years. Transfer of experienced and ambitious people from one county to another where need for their service may exist, is a rarity.

Because county boards now have the power of selection and are given the power of appointment, they are the only group who could encourage such a policy. Furthermore, the present law states that appointees must be residents of a county for six months prior to appointment. The local county boards thus are generally prevented from selecting DPA staff members in other counties even if they so desire. As a practical matter, the present scheme of administration places emphasis on local talents and under these conditions, it seems unlikely that county boards would favor looking elsewhere. The quality of local staffs, including supervision, thus rests entirely upon the ability and experience of individual county personnel.

It would seem logical to expect that statewide selection and promotions would provide greater morale and better administration. For example, this would mean that the most senior visitors and supervisors who were considered qualified on the basis of training and experience, could be considered for advancement regardless of where the opening existed. Likewise, the successful administrators of smaller county operations could be considered for promotion to bigger counties such as Philadelphia and Allegheny. While such a policy probably could not be applied to clerical help, it certainly should be feasible for administrative openings.

Appointments from statewide selections could be made by either the county boards or by the Secretary of Public Assistance. The power of appointment is an administrative problem but it is worthwhile emphasizing that statewide selection need not interfere with the powers of appointment of a county board.

Job Qualifications and Pay Scales

A more complicated problem involves the question of whether or not present salary scales are too low with regard to the responsibilities assigned to the various jobs. This question primarily concerns the visitors and clerical staff but might also apply to other county and state jobs. Based on turnover statistics, it would seem that supervisory jobs offer more incentive to stay put than do any of the others.

Visitor Qualifications. Unfortunately, the visitor represents the firing line, and is thus a key part of the organization. Below is presented a brief outline of the visitor's duties as described by the DPA manuals:

- A. Must develop plan of work including time in office and out of it. This plan must also be adjustable to office pressures.
- B. Must be able to handle written material of all kinds including letters, summaries and report. Must also be able to render oral reports in clear and concise manner.
- C. Must be able to determine eligibility and needs of assistance applicants and must be able to verify statements and must be able to apply current procedures and practices.
- D. Must be able to meet people and to treat their problems with some sensitivity and understanding yet be able to treat situations with objectivity. Also must be able to interpret departmental policy to clients and evaluate clients' ability for self help.
- E. Must know when and how to develop satisfactory relationships with similar community activities and when to seek assistance of superiors.

The visitor job as described by the DPA obviously requires maturity, judgment and skill in dealing with all kinds of people. Variety of programs, variety of needs and complicated rules of eligibility place additional burdens on the visitors.

Visitor qualifications seem impractical in terms of the pay scales and the responsibilities. This will be true as long as the department adheres to its preference for college education or individuals with a specialized experience background which in most cases presupposes a high level of education.

The following, in condensed form, represents the minimum qualifications for visitors who are hired in grade 14, the usual starting level:

1. Three years of college education
or
2. Five years of satisfactory employment including three years of special experience in the following fields which can be related to the job requirements:
 - a. Public or private welfare work
 - b. Teaching in an accredited school
 - c. Registered or public health nursing
 - d. Vocational counseling
 - e. Credit investigation
 - f. Personnel placement
 - g. Rehabilitation

Visitors may be hired in grade 15, the next higher level, as well, but the educational and experience minimums are correspondingly higher.

Pay scales for visitors are as follows:

Visitor - Grade 14
Senior Visitor - Grade 15

| | Annual Salary |
|---------------------------|-----------------|
| Visitor - Grade 14 | \$2562 - \$2970 |
| Senior Visitor - Grade 15 | 2970 - 3330 |

In general the DPA takes the view that salary scales are too low for qualified visitors. County boards in Philadelphia and Pittsburgh have made studies which substantiate this claim. Likewise, the DPA states that the federal scale and that of private agencies for similar work is higher than the department can offer.

Therefore one solution commonly offered is to give more money to the visitors. But it does not seem realistic to place too much reliance on higher salaries and upon extensive salary increases at a time when the state's revenues barely provide for present governmental costs. Moreover, the state cannot now hope to compete for help in the college arena. The more practical approach seems to lie in making adjustments in qualifications which will help produce a more stable and more mature visitor group with lower educational qualification but more practical knowledge and experience.

To a limited extent the DPA has however tried to improve visitors' salaries and to reduce turnover by allowing counties with high living costs, such as Philadelphia, to hire visitors in the upper levels, i.e. grade 15 instead of grade 14. And correspondingly to move supervisors to higher grades with only a short wait. The results of these moves have not been encouraging.

Also, in an effort to maintain its present visitor standards, the DPA has organized recruiting drives to replace visitors leaving the county offices. Although the Civil Service Commission does furnish new personnel for selection the DPA has also undertaken to supplement the Commission's work. These efforts, however, are hardly a solution for turnover.

As a practical matter it seems unlikely that the average college or university student could quickly or easily fill the visitor job on the basis of the "human" needs let alone the DPA program information which must be absorbed. Such inexperienced help would need a very considerable time to absorb basic knowledge and acquire experience. Six months to a year would seem to be a minimum for all but the most talented.

The basic problem here is that the job requires a realistic viewpoint. It requires a fairly high degree of sophistication and understanding which can be acquired only through experience. When this responsibility is assigned to a group of people where over two-thirds are of the college level, and when this group displays a high degree of turnover, it seems almost certain that only a small portion of such a staff will ever reach the point of becoming fully qualified visitors. If nothing is done to improve this situation, there is every likelihood that many county offices will continue to make costly mistakes. These errors will come not from lack of interest or desire to do a good job but through too heavy a reliance on a group of employees incapable of performing satisfactorily, either because of lack of training or maturity.

It is therefore recommended that the Department of Public Assistance deemphasize its requirements that visitors have college educations or experience which presupposes a college degree or the equivalent of a college degree. The Department should permit substitution of a wider range of experience using as a minimum educational level, high school graduates. Broadening of the visitor experience requirement probably means that the Department should also seek a change in the examination practices of the Civil Service Commission so that the examination itself would serve to select the most capable people out of larger groups of applicants.

Non-college personnel should provide a more stable background of employees who would be less willing to migrate to other opportunities. In addition, their background would permit quick training and a ready understanding of the practical problems handled by visitors. Such a broadening

of qualifications need not exclude college people. The work of the Department will always interest certain members of this group. Statewide promotions to supervisory opportunities would also help to overcome salary problems in appealing to college graduates.

The instability of college trained personnel especially those seeking their first employment or in the early stages of their careers is illustrated in Table V. This table serves to emphasize the view that the experienced non-college individual is more likely to be satisfied with the position of visitor in the Department of Public Assistance than is the young college graduate.

Therefore, to bring about this change, the Department of Public Assistance should change its alternative minimum visitor qualifications to read somewhat as follows: "Five years of full-time employment, within the last 15 years, of a general clerical, sales, investigative or business nature including data on the resources and credit of individuals through investigation."

Conclusions

1. High turnover, particularly among visitors, is a serious problem. This is due in part to factors beyond the control of the DPA - primarily the fluctuating caseload. This turnover, however, can be reduced by providing better opportunities for advancement and by using different qualifications for casework personnel.
2. By putting the appointment and advancement of employes on a statewide basis, it should be possible to afford much greater opportunity for advancement. Thus most senior visitors and supervisors would be first considered for promotion wherever opportunities exist, rather than, as now, being in effect limited to one county. Likewise, successful administrators in smaller counties could be considered for executive positions in the bigger counties.

TABLE V

EXTENT OF EDUCATION OF VISITORS RESIGNING FROM DPA EMPLOYMENT
 DURING FIRST 8 MONTHS OF 1951, RELATED TO LENGTH OF TIME
 SINCE FIRST DPA EMPLOYMENT, AGE, AND SEX

PENNSYLVANIA TOTALS

| Length of Time Since First DPA Employment (As of 1-1-51) | Extent of Education | | | | |
|---|---------------------|------------------------|--|---------------------|--|
| | Total | High School Only | Some College or Business School-No Degree | College Graduate | Bachelor's Degree plus 24 or more Graduate Credits |
| None | 16 | 0 | 3 | 13 | 0 |
| Less than 1 year | 107 | 0 | 13 | 87 | 7 |
| 1 year but less than 2 | 98 | 2 | 14 | 82 | 0 |
| 2 - 5 years | 54 | 1 | 7 | 45 | 1 |
| 8 or more years* | 23 | 6 | 9 | 7 | 1 |
| Total | 298 | 9 | 46 | 234 | 9 |
| <u>Age as of 1-1-51</u> | | | | | |
| 21-25 | 139 | 0 | 11 | 125 | 3 |
| 26-30 | 71 | 1 | 6 | 62 | 2 |
| 31-40 | 52 | 3 | 15 | 33 | 1 |
| 41-50 | 28 | 2 | 12 | 11 | 3 |
| 51-60 | 6 | 2 | 1 | 3 | 0 |
| 61-70 | 2 | 1 | 1 | 0 | 0 |
| Total | 298 | 9 | 46 | 234 | 9 |

* No 1951 resignees were first employed in 1943 or 1944.

3. Qualifications for visitor personnel should be adjusted so as to make it possible to hire more stable and mature visitor group with lower educational qualifications. DPA insistence that visitors have a college education or the equivalent should be modified to permit substitution of a wider range of experience using as a minimum educational level, high school graduates.

CASEWORK AUDITS AND PERFORMANCE STANDARDS

Two groups conduct audits of casework. One is a staff administered by the Auditor General; the other is a group administered by the Department of Public Assistance. While the audit conducted by the Auditor General is confined to a review of eligibility, the field force of DPA has a larger scope. However, the work of the two staffs is largely identical insofar as they both study individual cases for accuracy as to eligibility and the corresponding level of grants.

Auditor General Audits

The methods used by the Auditor General are worth reviewing in some detail because of the information uncovered by these county studies.

Auditing crews generally go to each of the larger DPA county offices once a year. In the smaller counties with low caseloads, an audit is made approximately once in two years. Some of the larger counties have been divided into several districts to speed up operations. Thus Allegheny has five districts, Luzerne three, Philadelphia seven and Schuylkill two. These districts within the counties are treated as individual units by the Auditor General. Because of the size of the caseloads, Philadelphia and Allegheny Counties are subject to continuous audit by a permanent staff.

When an auditing crew goes to a county office, it reads at least 10 percent of the active cases in the GA, OAA and ADC programs. Only occasionally are BP and AD cases read. If a good many errors are discovered in reading a 10 percent sample of any particular program, then more cases are studied and the percentage of cases read may run up to 100 percent.

From time to time, a member of the audit staff may wish to have an investigation made of the facts in a case before deciding whether or not an error has been made. In this instance a member of the audit force will make an

actual field check. Requests for investigation are based on individual circumstances rather than on sampling. Listed below are the number of cases read, errors or exceptions taken, and investigations made on a statewide basis by the Auditor General for the first, second and third quarters of 1952.

| | First Quarter | | Second Quarter | | Third Quarter | |
|----------------|-----------------|---------|-----------------|---------|-----------------|---------|
| | Number of Cases | Percent | Number of Cases | Percent | Number of Cases | Percent |
| Cases Read | 8,873 | 100.0% | 11,029 | 100.0% | 9,975 | 100.0% |
| Exceptions | 2,042 | 23.0 | 1,455 | 13.2 | 1,142 | 11.4 |
| Investigations | 3,028 | 34.1 | 2,801 | 25.4 | 2,593 | 26.0 |

Analysis of Auditor General's Reports

Whenever the Auditor General conducts a review of the work of an individual county and a district in a county, a full report is made covering any exceptions taken with respect to an individual case. This report is called an "Exception". Among other things, this report lists the reasons for errors or exceptions as well as the amount of overpayment or underpayment involved, if any; whether the County Board concurs in the findings, and what disposition is finally made of the problem. Although the Auditor General does not always take a large sample in each program for review, since at least 10% of the cases are covered the sample can be considered reasonably representative. Likewise, exceptions arising during such a sample review should be representative of the conditions prevailing throughout the entire case load in any one county.

In order to analyze further the work of the Auditor General, fourteen counties including Allegheny and Philadelphia were selected, among these fourteen being those where the relief load is heaviest. Table 1 gives a tabulation for 14 counties showing the percentage of exceptions taken with regard to the number of cases audited. The median percentage of this group is 7.45%. It is interesting to note that the six counties which are above this median have percentages of exceptions which range from 7.45% to 12.4%. If the median is used as a standard of performance, it could be said that five of these six have unusually poor records.

TABLE 1
PERCENT OF EXCEPTIONS OF PUBLIC ASSISTANCE CASES READ BY THE AUDITOR GENERAL
BY COUNTY AND DISTRICT

| County and District | Total Percent of Exceptions | G.A. | A.D.C. | O.A.A. | B.P. | Aid to Disabled ^a |
|--------------------------|-----------------------------|-------|----------|----------|----------|------------------------------|
| Allegheny - median | 12.4% | 17.1% | 15.0% | 4.3% | | |
| 1. Bigelow | 12.4 | 18.1 | 3.1 | not read | | |
| 2. Eastern | 8.4 | 10.2 | 5.4 | not read | | |
| 3. McKeesport | 17.8 | 37.0 | not read | not read | | |
| 4. Northern | 13.9 | 17.9 | 7.9 | not read | | |
| 5. Southern ^b | 4.3 | 1.5 | 2.7 | not read | | |
| Beaver | 0.6% | 0 | 0.3% | 1.3% | not read | 0 |
| Bedford | 7.4% | 13.2% | 7.8% | 0 | 0 | |
| Berks | 14.9% | 15.2% | 16.8% | 5.9% | 0 | |
| Dauphin | 16.2% | 8.6% | 18.3% | 9.5% | 0 | |
| Fayette | 3.4% | 3.0% | 3.6% | 3.5% | not read | |
| Huntingdon | 3.4% | 3.6% | 3.5% | 3.1% | not read | |
| Lancaster | 6.1% | 3.7% | 1.6% | 9.1% | 0 | 0 |
| Lehigh | 7.2% | 7.2% | 12.0% | 3.8% | not read | |

TABLE 1 (continued)

| County and District | Total Percent of Exceptions | G.A. | A.D.C. | O.A.A. | B.P. | Aid to Disabled ^a |
|-----------------------|--------------------------------|-------|--------|--------|----------|---------------------------------|
| Luzerne - median | 15.1% | 11.7% | 19.8% | 2.7% | 0 | |
| 1. Hazleton | 15.1 | 12.6 | 23.9 | 0.9 | not read | |
| 2. Pittston | 8.8 | 6.9 | 11.8 | 2.1 | 0 | |
| 3. Wilkes-Barre | 15.5 | 11.7 | 19.8 | 2.7 | 0 | |
| Northampton | 7.5% | 9.3% | 7.4% | 0 | 0 | |
| Perry | 0 | 0 | 0 | 0 | 0 | |
| Philadelphia - median | 13.5% | 13.3% | 27.8% | 5.6% | | |
| 1. Center | 13.5 | 13.3 | 19.0 | 6.8 | not read | |
| 2. Girard | 4.7 | 3.5 | 7.3 | 2.0 | not read | |
| 3. North | 21.5 | 15.5 | 27.8 | 5.6 | not read | |
| 4. South | 26.4 | 24.2 | 38.6 | 8.7 | not read | |
| 5. West | 12.0 | 3.9 | 28.7 | 2.6 | not read | |
| Schuylkill - median | 12.5% | 8.4% | 16.5% | 8.1% | | |
| 1. Pottsville | 17.4 | 12.4 | 22.5 | 11.3 | 0 | |
| 2. Shenandoah | 7.6 | 4.3 | 10.4 | 4.3 | 0 | |

^a Aid to Disabled was not begun until 1951. The blanks in this column represent studies begun before January 1, 1951.

^b Suspended study.

Another interesting situation is brought about by the obvious concentration of errors in the A.D.C. and G.A. programs in nearly every county. This is not true of Lancaster, however, where the concentration of errors in the O.A.A. program raises a question as to the adequacy of administration for this particular program.

Not all of the exceptions taken are of significance. A great many deal with minor clerical errors, failure to have complete records, and misunderstanding as to minor points. The number of exceptions taken is only a general gauge as to the efficiency of a county organization in its over-all operation, and in its handling of individual programs. The real importance of exceptions can better be determined by the amount of money overpayments or underpayments which cause the state to pay more for assistance than it should, or deprive the individual of money sufficient for his other real needs.

Table 2 calculates the percentage of monthly money expenditures which might be saved by the 14 counties if the Auditor General's sample is representative and if all errors in monthly payments were eliminated. This table is further based on the fact that errors uncovered by the Auditor General nearly always result in net overpayments. As a practical matter, the elimination of all errors is an impossibility. However, the median of 1.15% can be used as a standard by which to judge administration.

As might be expected, counties with the highest percentage of exceptions also have the highest percentage of monthly overpayments. In the case of Philadelphia and Allegheny Counties, this involves substantial amounts of money. However, this is not true of Schuylkill. Here a high percentage of exceptions does not show a high percentage of net overpayments. The high percentage of exceptions in Schuylkill is thus probably due to a multitude of minor errors not involving money payments.

Table 3 estimates the percentage of monthly money expenditures which might be saved by the 14 counties with claims for restitution included. Here

TABLE 2

PERCENT OF MONTHLY EXPENDITURES THAT MIGHT BE SAVED IF ALL CASES WERE
AUDITED AND ERRORS ELIMINATED

(Not including restitution since restitution is not a per month saving.)

| County | Total | G.A. | A.D.C. | O.A.A. | B.P. | Aid to Disabled ^a |
|-----------------|----------------------|-----------|----------------------|-----------|---------------|------------------------------|
| Median - Saving | 1.15% | | | | | |
| Allegheny | 2.4% ^b | 4.3% 0 | 2.5% ^b | 0.8% b | not read 0 | not read 0 |
| Beaver | 1.9 | 6.2 | 1.2 | 0 | 0 | not read 0 |
| Bedford | 3.3 | 6.6 | 6.4 | 1.1 | 0 | not read 0 |
| Berks | 3.0 | 7.6 | 4.6 | 1.3 | 0 | not read 0 |
| Dauphin | | | | | | |
| Fayette | 1.0 | 0.2 | 0.7 | 2.2 | not read 0 | not read 0 |
| Huntingdon | 0.3 | 1.0 | 0.1 | 0 | 0 | not read 0 |
| Lancaster | 0.7 | 0.2 | 0.9 | 0.8 | 0 | not read 0 |
| Lehigh | 0.4 | 1.7 | 0.6 | b | 0 | not read 0 |
| Luzerne | 2.3 | 2.8 | 4.1 | 0.1 | 0 | not read 0 |
| Northampton | 1.1 | 3.3 | 2.0 | 0 | 0 | not read 0 |
| Perry | 0 | 0 | 0 | 0 | 0 | not read 0 |
| Philadelphia | 4.9 | 5.5 | 7.3 | 1.2 | not read 0 | not read 0 |
| Schuylkill | 1.3 | 1.0 | 2.8 | 0 | | |

^a Aid to Disabled was not begun until 1951. The blanks in this column represent studies begun before January 1, 1952.

^b Percent that could be saved is less than .1%.

^c An increase in grant was made in an O.A.A. case, but the amount of the increase is unknown.

TABLE 3

PERCENT OF MONTHLY EXPENDITURES THAT MIGHT BE SAVED IF ALL
CASES WERE AUDITED AND RESTITUTION IS INCLUDED

| County | Total | G.A. | A.D.C. | O.A.A. | B.P. | Aid to Disabled ^a |
|--------------------------|-------|-----------------------------------|--------|--------|----------|------------------------------|
| Median - Saving | 1.4% | | | | | |
| Allegheny | 6.7% | 10.4% | 4.8% | 7.3% | not read | not read |
| Beaver | b | 0 | b | b | 0 | 0 |
| Bedford | 1.9 | 6.2 | 1.2 | 0 | not read | not read |
| Berks | 3.8 | 6.6 | 8.4 | 1.1 | 0 | 0 |
| Dauphin ^c | | Amount of Restitutions not given. | | | | |
| Fayette | 1.0 | 0.2 | 0.7 | 2.2 | not read | not read |
| Huntingdon | 0.3 | 0.0 | 0.1 | 0 | 0 | 0 |
| Lancaster | 1.4 | 0.9 | 3.1 | 0.8 | 0 | 0 |
| Lehigh | 0.4 | 1.7 | 0.6 | 0.1 | 0 | 0 |
| Luzerne | 3.1 | 2.8 | 6.1 | 0.1 | 0 | 0 |
| Northampton ^d | 1.3 | 3.3 | 3.1 | 0 | 0 | 0 |
| Perry | 0 | 0 | 0 | 2.8 | not read | not read |
| Philadelphia | 11.1 | 10.1 | 17.6 | 2 | 0 | 0 |
| Schuylkill | 1.4 | 1.0 | 3.1 | | | |

^a Aid to Disabled was not begun until 1951. The blanks in this column represent studies begun before January 1, 1952.

^b Percent that could be saved is less than .1%.

^c The number of restitutions for Dauphin County was quite high; 6 in G.A. and 19 in A.D.C. - a total of 27. This would undoubtedly raise the percentages considerably.

^d An increase in grant was made in one O.A.A. case, but the amount of the increase is unknown.

again it is unlikely that all restitution claims could be recovered in full, or all overpayment errors corrected. However, the median of 1.4% serves as a guide toward possible savings. The same 5 counties which have previously had a poor record again top the list and indicate substantial economies if administration could be improved.

Reason Analysis

The Auditor General requires that at least one reason be given for every exception taken to the work of the County Boards. More than one reason may be given and usually is. The reasons for the exceptions taken in the counties studied are summarized in Table 4.

It should be remembered in studying Table 4 that the reasons assigned in particular cases are to a considerable degree a matter of personal opinion and that, therefore, the reason analysis shown cannot be highly standardized. Some of the reasons overlap while others such as "eligibility" lack definiteness. Nevertheless, the reasons given are valuable clues as to the most commonly overlooked points in the determination of eligibility and the calculation of grants. Thus, it would seem logical to state that DPA case workers should pay more attention to the income resources of assistance cases and to the legal responsibility of relatives.

A simplified reason system for exceptions broken down by visitor and supervisor with stricter interpretation as to the meaning of reasons would be a valuable administrative tool for the DPA County Boards.

County Administrative Performance - Standards of Performance

It is very evident that the DPA has within its own framework and in the audit records of the Auditor General a great deal of valuable information with which to judge the performance of various counties.

At the present time, for example, both the field force of the DPA

TABLE 4
REASONS FOR EXCEPTIONS TAKEN BY THE AUDITOR GENERAL

| | Total Cases Read | | G.A. | | A.D.C. | | O.A.A. | |
|-------------------------------|------------------|---------|--------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Total Cases Read | 2,609 | | 646 | | 1,732 | | 231 | |
| Income From Other Sources | 1,189 | 45.6 | 247 | 38.2 | 896 | 51.7 | 46 | 19.9 |
| Legally Responsible Relatives | 862 | 33.0 | 110 | 17.0 | 647 | 37.4 | 105 | 45.5 |
| Employment | 632 | 24.2 | 184 | 28.5 | 438 | 25.3 | 10 | 4.3 |
| Overpayment | 474 | 18.2 | 81 | 12.5 | 366 | 21.1 | 27 | 11.7 |
| Household Composition | 406 | 15.6 | 70 | 10.8 | 320 | 18.5 | 16 | 6.9 |
| Budget | 397 | 15.2 | 92 | 14.2 | 273 | 15.8 | 32 | 13.9 |
| Eligibility | 388 | 14.9 | 119 | 18.4 | 255 | 14.7 | 14 | 6.1 |
| Insurance | 125 | 4.8 | 39 | 6.0 | 69 | 4.0 | 17 | 7.4 |
| Address or Residence | 109 | 4.2 | 39 | 6.0 | 68 | 3.9 | 2 | 0.9 |
| Missing Documents | 109 | 4.2 | 36 | 5.6 | 60 | 3.5 | 13 | 5.6 |
| Pension or Compensation | 91 | 3.5 | 34 | 5.3 | 41 | 2.4 | 16 | 6.9 |
| Error in Grant | 67 | 2.6 | 4 | 0.6 | 55 | 3.2 | 8 | 3.5 |
| Property | 44 | 1.7 | 14 | 2.2 | 28 | 1.6 | 2 | 0.9 |
| Case Inconsistent With | | | | | | | | |
| Intent and Purpose of PA Law | 37 | 1.4 | 8 | 1.2 | 28 | 1.6 | 1 | 0.4 |
| All other Reasons | 140 | 5.4 | 33 | 1.3 | 102 | 5.9 | 5 | 2.2 |
| Miscellaneous | 691 | 26.5 | 181 | 28.0 | 465 | 26.8 | 45 | 19.5 |

Note: Perry County had no exceptions.

and the Auditor General's own force compile statistics as to the number of errors found when reviewing individual cases. In both instances a reason analysis is available to provide clues as to possible sources of error. Further data exist to indicate also the extent to which errors result in money overpayments.

Overpayments annually cost the state millions of dollars but in fairness to local administrators their nature should be examined before reaching any decisions. Basically, overpayments result either through careless administration or because of client fraud. Administrative overpayments through error are a better criterion of staff performance than those stemming from fraud. However, both should be a cause for concern and where fraud is unusually prevalent, more prosecution would be one remedy.

Personnel turnover is another statistic which can be used to judge local administration. Many reasons create personnel turnover and while salaries are important, the degree and nature of supervision often counts equally high. The quality of work definitely improves when individuals are retained for longer periods and one benchmark of good organization is low turnover.

Visitor and supervisor performance can be judged by the nature and frequency of error as uncovered by audit. These data very often point the way to weak links in the chain of organization and specifically show where action is needed. Since these people actually handle the cases and set money costs, their capacity to work efficiently is of the greatest importance.

While administrative overhead often receives the most intensive notice, it is actually only one of the many criteria which should be used to judge efficiency at the local level. Where overhead costs are low and other factors are favorable, it confirms the opinion that the organization is well run. On the other hand, where administrative costs are low and other factors unfavorable, it may show, for example, insufficiency of personnel or inadequate supervision or both. This situation could not be considered good administration. Effective control of overhead within a reasonable range is thus a sign of efficient work

but by itself it tells little if anything about the quality of performance.

The isolated data from one county, moreover, mean little if anything unless they can be judged by some set of standards. These standards may either come from a study of other county operations or they may come from a study of what each unit can do within its own sphere. The simplest and easiest way to obtain such standards would seem to be to use the work of other counties as a measuring stick. Since the state has and is expending great efforts to standardize assistance work and policies throughout the state, there is no apparent reason why one county cannot be compared to another.

In the field of comparative performance, the DPA has done little if any work although it offers great promise for improving county administration. As a beginning, the results obtained from well-run counties could be used to judge those which were less effective. A series of arithmetical means could be used to create a normal or average pattern. Analysis of variations from an established norm should uncover valuable information as to the best methods to use in county work. Conversely, inefficient or ineffective methods should also be brought to light. Some standards, such as the number of cases per visitor, could be set as a variable falling within a given range. The matching of county results should also arouse some spirit of competition especially if it is tied in with future opportunities for promotion within the administrative force.

It should be stressed, however, that statistical comparisons are valueless unless they are thoroughly understood and completely acceptable to the administrator who uses them. Thus, it would also be most desirable to have all standards placed at a level where both state and local officials could agree as to their fairness. Furthermore, as these criteria are improved and refined by experience, individual county performance should also improve with a corresponding economy for the state.

Field Examinations by the DPA

The DPA also has a division which conducts audits of the work of the county offices. This audit is more comprehensive in subject matter than that of the Auditor General but part of the job is to check eligibility and grants. To a considerable degree the audit conducted by the DPA duplicates the work of the Auditor General.

A review of the DPA system shows that it is similar to that of the AG; indeed, it would be surprising if the two groups were to use wholly different systems in view of the nature of the problem.

The results of the DPA field force were checked against those of the AG. Since these audits were taken at different times by different people, it would be unlikely that all of the results would be similar. Nevertheless, the audit of the DPA indicated that Allegheny, Philadelphia, Dauphin and Berks Counties had relatively poor operating records as did the audit of the AG. According to the DPA, Northampton should be the fifth while the AG results indicated Luzerne as the fifth ranking county.

More conclusive evidence could be gathered if the records of these two audits could be examined over a period of years but no such information exists. This would eliminate the danger that one examination would not be representative of a given situation. It would also reveal which counties have consistently good operations and which have not. Problems of administration could then be judged in their true perspective.

Summary

The auditing work conducted by DPA and by AG provides a valuable source of data with which it should be possible to establish certain standards of performance. These standards could and should be used to appraise the work of local units. Praise should then be ~~given~~ where earned and criticism offered where deserved.

Both of these audits now have the common weakness of failing to offer any basis of county comparisons. Nothing has yet been done along these lines

although sufficient data are on hand to make at least a beginning.

However, it should also be remembered that statistical evaluation of county performance must also be weighed in the light of the reasons for a poor or a good record. Temporary problems or conditions beyond the control of a local administrator should be considered before reaching conclusions. Thus, before it is possible to say conclusively that any county, such as Allegheny or Philadelphia, has poor administration, considerably more research should be made into the causes for the results shown.

Recommendations

1. The DPA should establish a series of arithmetical means to create a normal or average pattern with which it can then judge the worth of the individual counties.
2. The DPA should establish yearly performance standards for county operations with regard to the acceptable number or percentage of exceptions, amounts and percentages of overpayments, visitor performance, investigations, etc. If possible, these standards should be worked out with county executives but in any case they must be reasonable and realistic.
3. In addition to information rendered on single counties, the performance and comparative records of all counties or groups of similar counties should be circulated to county heads. Each executive could then see how his "competitor" was doing.
4. Where statistical analysis indicates unsatisfactory performance, further research should be undertaken as to the reasons and this report, indicating the causes, should also be made a matter of record.

Duplication of Audits

The duplication of work done by the auditing staff of the AG and that of the DPA should be reduced. Either one organization or the other should conduct the primary examination of case records.

Assignment of the responsibility, however, raises a difficult administrative problem. Auditing conducted by the DPA has the objection of being a self examination. The Department recognizes this fact and for this reason the comptroller has been put in charge of field examinations. As chief financial

officer, he is most remote from any administrative pressures and influences on the part of the county offices. Moreover, as presently conducted, there is little question that the DPA audit is impartial and impersonal. However, people and organizations change and a self-audit could be controveited to self praise.

On the other hand, the AG has no interests to consider in DPA other than that of straightforward examinations. If well conducted, the GA audit would have the advantages of being continuously remote and impersonal. It could not be said that favorable results were either manufactured or manipulated.

At the present time, because of the doubts cast on DPA work by many people, it would appear wiser to assign to AG the primary duty of field examinations of eligibility and grants. Whatever data were gathered should convince almost everyone that it was fair and reasonably accurate. Under these conditions, the DPA could then unhesitatingly take credit where due and without fear of criticism bring recognition to that part of its work which deserves praise. Where AG audits indicate weakness, then the DPA could take over with its own force and intensify an analysis as to the causes of any apparent administrative failures.

Weakness in Audits

The AG cannot stop relief payments regardless of its findings. Sole responsibility for this action lies with the DPA because of existing law and the attitude of the federal government which insists that only one agency shall control disbursement of federal assistance funds. Of course, GA payments could be stopped by an AG audit since only state money is involved.

However, even within the DPA, audits do not immediately result either in a reduction of payments or withholding of payments. In the case of questions raised concerning eligibility or the amount of allowances due, payments continue at existing levels until the county board has had an opportunity to prepare an

answer. This might take as long as sixty days or possibly ninety days. Insofar as an overpayment is concerned, this may mean that money is being entirely lost, or if restitution is involved, about fifty percent lost. Conversely, of course, continued underpayment for a period of sixty days involves recipients in unnecessary hardships. But, since most audits show overpayments, there is every indication that the DPA is losing money because the county boards are unwilling to settle promptly the auditor's exceptions dealing with possible overpayments or grants to ineligible persons.

Recommendations

1. Whenever an auditing field force takes an exception to a case which involves money payments and eligibility, the county offices should be required to change disbursements or withhold disbursements until the exception can be satisfactorily cleared.
2. Auditing staffs should assist the county office in every way in clearing such exceptions. Such assistance should include investigations, review of unfiled records, and interviews with recipients where necessary.
3. If necessary, this procedure should be made a matter of law and laws to the contrary should be revised.
4. The auditing force of the AG should be expanded sufficiently to enable it to audit all county offices annually and to conduct whatever case investigations seem appropriate. It should also have the primary duty for field examinations of eligibility and grants.

OVERPAYMENTS AND RESTITUTION

The question of restitution arises in every instance where the Department of Public Assistance has made an overpayment of funds to any individual on the assistance rolls. Restitution is defined as the requirement that the recipient repay all assistance money for which he or she was not eligible.

However, restitution is not requested under the following circumstances:

- a. Overpayments resulting from circumstances beyond the recipient's control.
- b. Overpayments to recipients who have fulfilled their obligations for reporting and who cannot be expected to know that their grants were in excess of amounts allowable.
- c. Any overpayments amounting to less than \$5.
- d. Overpayments which occur under such circumstances that it would be unreasonable to seek restitution.

These rules apply to all programs and thus constitute the basic policy in dealing with overpayments.

Responsibility for the handling of overpayments and restitution problems is divided. The county office establishes the basic facts and makes the initial recommendation as to appropriate action. If necessary, the county office works with the recipient in order to provide a complete story. All the data are then referred to an area office of the Claim Settlement Division of the State Department of Public Assistance for final action.

When the final disposition by the Claim Settlement Division is contrary to the recommendation of the county office, an agreement is negotiated between the two offices or it is forwarded to state headquarters for

adjudication.

Each instance of overpayment requires an investigation. This investigation is the same as for any other determination of eligibility, and therefore can be considered as a review or audit of the original county office decision. In addition some determination has to be made as to the recipient's intent, particularly whether or not any concealment of facts was an effort to obtain illegal assistance. On the other hand, if the overpayment was an administrative error, the DPA policy automatically bars restitution. In any event, the results of the investigation form the basis of the recommendation by the county office.

Settlement

The Claim Settlement Division has the sole responsibility for collecting or settling any claims for overpayment of assistance.

Restitution is made by the payment of money. Deductions from grants or withholding of assistance are not allowed except in certain circumstances in the Blind Pension program. Furthermore, payments are not demanded while the debtor is still on the assistance rolls. Only when he has resources more than sufficient to meet current living expenses as well as any unusual or emergency needs is payment demanded. Also, payments are not required if they would reduce the debtor's available resources below current assistance standards.

In order to obtain payment, however, the Claim Settlement Division may attach real estate or other personal property such as automobiles and bank accounts. In addition it may resort to civil or criminal action according to the individual circumstances.

It is obvious that overpayments of any kind involve the county offices and the Claim Settlement Division in a good deal of extra work. Thus an administrative error, ignorance on the part of an assistance re-

cipient, or concealment of vital facts which might be uncovered at the start of a case, finally result in a great deal of checking and rechecking. All of this multiplies administrative costs regardless of any money which may be lost through unrecoverable overpayment.

Extent of Overpayments

There is no exact measure of the extent of overpayments during the course of a year because undoubtedly some errors go undiscovered. However, there are several indications of the amount as shown by the audits of the Auditor General and the DPA field force and by the amounts reported to the Claim Settlement Division of the DPA. While the auditing forces use only a sample, it is large enough for their findings to be reasonably representative of the overall situation.

Based upon an analysis of the actual amounts spent for assistance in 1950, exclusive of administration, the Auditor General's data show that a total of about \$4,600,000 was overspent by the DPA. The findings of the field force of the DPA show approximately \$5,400,000 in overpayments. A survey of overpayments forwarded to the Claim Settlement Division by the same 14 counties indicates that about \$3,700,000 was overpaid. Considering the amounts of money actually paid out by the DPA and the number of cases which are on the rolls, these figures confine the range of overpayments to a relatively small amount. When taken as a percentage of the amounts spent on assistance recipients, the largest figure is about four percent and the smallest 2.75 percent.

Since the federal government participates in many of the cases of overpayment, the loss is not altogether chargeable to the state. Based on 1950 experience about 35 percent of the total would be federal money leaving the state with 65 percent. It also should be emphasized that some overpayments will always continue. Assuming that an average of one and one-half percent

were taken as a goal, then total overpayments in 1950 should have been no more than \$2,039,000. This total is about \$3,000,000 less than estimated experience and shows the opportunity for economy through better administration.

Some counties exercised better control over this problem than others. As previously discussed with reference to the work of the auditing groups, the extent of overpayments varies considerably among counties. Moreover, not all such funds are necessarily lost because through the process of restitution the DPA has a means of obtaining partial recovery.

The individual reasons for overpayment are numerous and varied, but they can easily be grouped. First, there are those which result from visitor or clerical error. Second, there are those which arise from unforeseen or unexpected circumstances for which neither the DPA nor the recipient can be blamed. In this category would fall the sudden opportunity for a job or a windfall inheritance. Third, there is the conscious effort to chisel either in small or large amounts.

At the present time, the DPA has no exact information as to the extent that any one of these reasons causes overpayment. Stated opinions are that fraud accounts for a very large percentage of the overpayment, perhaps as high as 90 percent. If true, this is a serious matter. It means that the DPA cannot safely adhere to a philosophy of being trusting because the relatively few bad actors make it too expensive. Further, it indicates the need for more thorough investigation of applicants where any doubts exist and finally, it shows that stricter policies are required in dealing with offenders.

Extent of Underpayments

The actual administration of assistance leans toward the generous side. It seems evident that doubts are resolved more often in favor of the applicant than not. The reason for this assumption is that the amount of underpayments to clients is apparently far less than the amount of overpayment.

Audit records of the Auditor General indicate that, in 1950, about \$221,000 was underpaid and the DPA field force data indicate that \$540,000 was underpaid, contrasted to overpayments of \$4,600,000 and \$5,400,000 respectively.

Legal Problems in Claim Settlement

The Claim Settlement Division has ample powers to recover money through civil action. It can attach property of all kinds including bank accounts, television sets, automobiles and all other personal property. However, it cannot resort to the garnishment of wages, a policy which would improve its collection record.

As a matter of general policy, Pennsylvania does not permit the garnishment of wages for personal debt although income producing property or other assets may be attached. However, in the case of restitution claims, some degree of fraud is present in every case even though it is not necessarily followed by criminal prosecution. This fact alone seems ample ground for justifying the attachment of wages or salaries and the DPA should be given specific powers to make such a move.

Naturally garnishment of wages or salaries should not involve the impoverishment of the individuals concerned as such a move would simply put them back in the state's hands. However, there should be no objection to placing these people in the same income status as those assistance recipients who are repaying the state out of other resources. Thus, any amount above minimum needs would be subject to total or partial claim by the state.

Criminal prosecution of relief frauds is an effective and desirable method of punishing the more flagrant chiselers. It undoubtedly also serves as a strong deterrent to those who have fraudulent leanings.

During 1951, the Claim Settlement Division filed 1,277 criminal complaints representing about four and one-half percent of claims for restitution. Out of this number 10 persons have been acquitted, 347 have

been convicted and the remainder of the cases are still pending.

The ability of DPA to undertake criminal action is, in some instances, limited by the attitude of District Attorneys and the local courts. Where staffs are small and calendars are full, it is not easy to get action and sometimes it is impossible. Thus the willingness and capacity of the county DA and his organization is a limiting factor in some localities. In other instances, judges' decisions and public opinion may prevent satisfactory prosecution. These are factors over which the DPA has very little, if any, control and where such circumstances exist it helps defeat any hue and cry for a clean-up of assistance rolls.

Prosecution difficulties can be partly cured by revision of the present judicial procedures. Current law requires that all restitution cases be presented to a magistrate, then to a grand jury and finally to a court. Where the offense is relatively small, this system is cumbersome, time consuming and expensive. The staff and time of some DA's are limited. They are thus reluctant to pursue what appears to them to be cases of a relatively harmless nature.

Much of this work and expense could be eliminated by permitting restitution cases to be tried under summary proceedings. In this way, the DA need not appear and the DPA could represent its own interests. The magistrate or alderman could render judgment and the case could be closed accordingly. No proceedings by the grand jury and by court action would be required.

Even with this change, however, the DPA would still need cooperation from the DA's and courts in those cases which would go through the grand jury. This is a problem which requires selling on the part of the DPA and prodding by interested organizations when prosecutions bog down. It does not seem possible to apply anything other than moral force to bring action. It is a situation which should be brought before chambers of commerce, bar

associations, welfare organizations, party groups and any other organizations interested in good government and individual responsibility. In any event, the DPA should be encouraged to bring criminal prosecution whenever any individual flagrantly abuses his or her right to assistance.

Claim Settlement Collection Experience

No records exist in the DPA to indicate in full detail what experience the department has had in collecting individual claims. Its published data deal only with amounts collected in a given year but do not show whether the state can expect to recover 10 percent or 70 percent of its outstanding claims.

However, some evidence as to results was obtained on the basis of a sample survey of \$56,474 in claims set up in 1948. Of this total, \$25,627 was outstanding against persons still on assistance so, in accordance with present policy, no effort has yet been made to collect any part of that money. However, \$30,817 of these claims were against individuals no longer on the rolls. Up to the end of 1951, the DPA had collected \$13,743 or 44.6 percent of those claims. How much more can be collected from the total of \$30,817 is a moot question. Since the DPA will leave these claims open indefinitely, it is theoretically possible to get the full amount but the DPA believes that 75 percent would be the absolute maximum, and this result could only be obtained after a lengthy and expensive collection effort.

Claim Settlement - Collections Through Grant Reduction

The DPA has one policy which has been and probably will continue to be a matter of some debate. This is the ruling that claims for illegal assistance cannot be settled by reducing grants for those on relief rolls nor by demanding payments from those off the rolls if it reduces their income below assistance levels.

Those who oppose reduction of grants point out that it causes

assistance money to be furnished at a rate below minimum needs. Since grants are at a minimum, a reduction of any kind would be an incentive to further chiseling in order to obtain a bare living. Furthermore, criminal or civil action to recover relief would be more difficult if it could be shown that grants were insufficient for needs.

The weakness in this argument lies in the assumption that the calculation of needs and the rendering of allowances is an exact science. A maximum reduction of 10 percent per month would not necessarily result in unbearable hardship. An analysis of the manner in which costs and allowances are computed shows that the spread between these figures has varied from time to time without creating too much protest.

From the moral standpoint, grant reduction has a great deal to recommend it. Under the present policy, the DPA is in the position of offering encouragement to those who have fraudulent leanings. These people know or soon find out that as long as they remain on the rolls the DPA will do nothing to punish them for their offense. After they leave the rolls, if they do, collection of the DPA claim depends upon the uncertain results of pressing for settlement. Here is a situation in which an irresponsible person has nothing to lose. On the other hand, reduction of grants should be discouraging to petty grafters and a visible proof that "chiseling" is not to be tolerated.

There can be little doubt that substantial financial benefits would accrue from a policy of deducting restitution claims from current assistance. In the sample survey conducted by the DPA, \$25,627 in claims could not be pressed because the persons concerned were still receiving assistance. If, however, the DPA had pursued a policy of paying off these claims by recapturing 10 percent of assistance offered, it would have collected, up to the end of 1951, 66.2 percent of this money. Furthermore, this collection would not have involved the expense and the time required by waiting until after these

individuals left the rolls.

In the following table, a calculation is made of what such a policy could mean in terms of annual saving.

| | |
|---|-------------|
| Estimated Total Overpayments in 1950 | \$5,400,000 |
| Assuming that 90 percent Result in Restitution Claims | 4,860,000 |
| Of which the State's Share is 65 percent | 3,159,000 |
| If Final Collection is 50 percent | 1,579,500 |
| If Final Collection is 75 percent | 2,369,300 |

This table assumes, of course, using a policy of deducting up to 10 percent from assistance payments will improve collection experience from 50 percent to 75 percent. In view of the experience shown by the sample survey and the fact that money would be collected immediately instead of in the indeterminate future, these assumptions appear to be a reasonable expectation.

Conclusions

Overpayment of DPA funds through fraudulent action on the part of assistance recipients is a major source of loss for state funds. To help curtail and prevent these losses and to improve recovery of money when frauds occur, the League recommends that:

1. The DPA be permitted to garnish wages and salaries to a maximum of 10 percent when such action does not result in impoverishment or severe personal hardship.
2. The DPA through its own staff be permitted to undertake summary court action against minor offenders on claims resulting from fraud.
3. The DPA institute a policy of reducing assistance grants up to 10 percent in order to recover overpayment claims based on fraud unless such action results in unusually severe personal hardship.

VII

THE STATE BOARD OF PUBLIC ASSISTANCE

The attendance and membership of the State Board of Public Assistance for the past ten years have been reviewed.

Membership

The full compliment of the State Board of Public Assistance is nine members: The Secretary of Public Assistance, the State Treasurer, the Auditor General, and six citizen members.

During the period reviewed the board had 55 meetings, the number per year ranging from three in 1947 to eight in 1950. During most of the period studied there were some vacancies in board membership. Only for 14 meetings, from January 1946 to September 1948 was there full membership of the board. The smallest membership occurred from October 1944 to January 1946 when there were only six members on the board and again since January, 1952. Altogether, there were eighty-two vacancies for the fifty-five meetings or an average of one and one-half over a ten year period.

By the following tabulation it can be seen that at none of the meetings was there a full count of legal membership present. In fact, only six meetings had as many as seven members in attendance. Over half the meetings had only a bare quorum (five) present, and three meetings were ineffective because less than a quorum was present.

| <u>Number of Board Members in Attendance</u> | <u>Number of Meetings</u> |
|--|-------------------------------|
| 9 | 0 |
| 8 | 0 |
| 7 | 6 |
| 6 | 14 |
| 5 | 32 |
| 4 | 3 |
| Total | 55 |

Attendance

The attendance record given below shows that governmental members were much more active than citizen members. This may be due to their presence in Harrisburg and their greater willingness to make up the quorum necessary to conduct business.

Citizen attendance varied with the individual. One Harrisburg member had one of the two "good" records of attendance. The other "good" record was compiled by a non-local woman member. Women tend to be more regular in attendance than men. This may be a result of their freedom from many of the demands put upon business and professional men.

It is interesting to note that the average attendance percentage of appointed board members was only 71.7% as compared to 91.5 percent for government officials. If board vacancies are included then average citizen membership attendance further drops to 59.8 percent.

| | Number of Meetings while a Board Member | Total Meetings Attended | Percent of Meetings Attended |
|-------------------------------------|---|-------------------------------|---------------------------------|
| All Appointed Board Members | 413 | 296 | 71.7 |
| Governmental Officials - Total | 165 | 151 | 91.5 |
| Secretary of Public Assistance | 55 | 54 | 98.2 |
| State Treasurer (or Representative) | 55 | 51 | 92.7 |
| Auditor General (or Representative) | 55 | 46 | 83.6 |
| Citizen Members - Total | 248 | 145 | 58.5 |
| Citizen Members - Present | 104 | 75 | 72.1 |
| #1 (Woman) | 38 | 35 | 92.1 |
| #2 (Woman) | 38 | 21 | 55.3 |
| #3 (Man) | 28 | 19 | 67.9 |
| Citizen Members - Prior | 144 | 70 | 48.6 |
| #4 (Man) (Local) | 11 | 9 | 81.8 |
| #5 (Man) | 50 | 25 | 50.0 |
| #6 (Man) | 37 | 11 | 29.8 |
| #7 (Man) | 15 | 5 | 33.3 |
| #8 (Man) | 27 | 16 | 59.3 |
| #9 (Woman) | 4 | 4 | 100.0 |

Business

The greater part of the board's time was consumed in policy making. This is in accord with the legal responsibilities of the board. A total of 71 board actions were studied involving resolutions or approvals. By subject, these actions concerned:

| | |
|-----------------------------------|----|
| General Assistance | 7 |
| Aid to Dependent Children | 3 |
| Old Age | 1 |
| Blind Pensions | 8 |
| Aid to Disabled | 6 |
| Other, General, or all categories | 46 |

The more recent actions of the board were concerned with the changes in the Social Security regulations covering Blind Pensions and Aid to Disabled.

Types of Action

A large part of the action in recent meetings has been concerned with the approval of sections of the DPA manual covering general policy. Since the first manual written in 1946, practically every section of the manual has been revised. The board has approved either the majority of the pertinent policy sections or at least has approved the policy for each general subject.

Certain specific sections of the manual as far as could be determined have not come to the attention of the board. But these were not important nor were they major subjects.

The board also has authorized the Secretary to make editorial changes as the situation requires them. These, too were not always reviewed or approved.

Other Observations

The board seems to spend a good deal of time reviewing material that could be mailed to the members for perusal and could then be given speedy routine approval at the meetings unless questions arose.

Further, the machinery of putting policy changes into operation has been a long process, often taking a year.

It was also observed that frequently business was introduced at the meetings for which no follow up could be found in later minutes.

Conclusions

Attendance of citizen members at the State Board meetings is weak and lowers the effectiveness of the board. This is partially a result of the constant non-governmental vacancies on the board. On the other hand, government members attend regularly and tend to dominate the proceedings.

Important subject matter and policy decisions are regularly referred to the board by the state department in accordance with the existing law. Thus all board members have the opportunity to review or study those operations of the state department which raise or lower assistance costs. Unfortunately, irregular attendance of members seems to slow down action and to indicate that board review is not as thorough as it should be.

Recommendations

1. The Governor should fill all vacancies on the board as soon as they occur. Members who are appointed and do not maintain reasonable regularity should be asked to resign.

2. It would seem advisable to divide the State Board into subcommittees to study individual phases of assistance policy. This should speed up decisions by dividing responsibility and creating greater interest in the work of the board by its members.

3. With urgent problems a special subcommittee of the board should work with the state department and see that these matters are carried through the board proceedings to a prompt conclusion.

4. Whenever possible, material requiring board approval should be mailed out in advance of meetings.



